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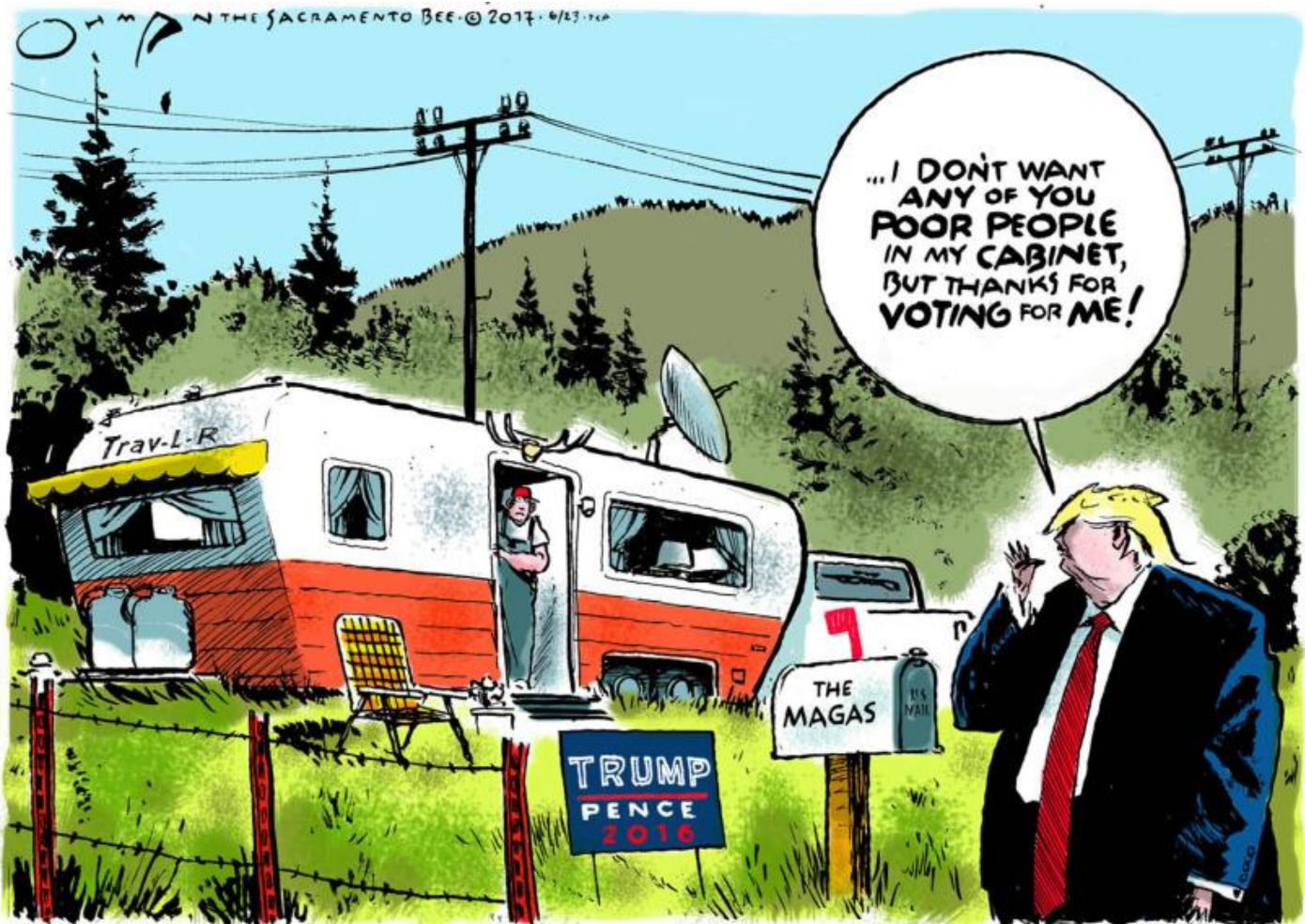
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RÉPUBLIQUE FRANÇAISE

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FRANCE – EUROPE3

The Nation : Macron on the March in France.....	3
Washington Examiner : Will Trump and Macron actually work together well on Syria?	5
France's new lawmakers open first parliament session...	6
Bershidsky : Macron Can Follow Germany's Lead on Labor Reform.....	6
Forbes : Milton Friedman Proven Right By, Remarkably, Thomas Piketty And The French Tax System.....	7

Business Insider : Tour de France team uses noninvasive blood test Ember for first time	7
Theresa May Clinches Deal With Northern Irish Party to Support Minority Government.....	8
Grenfell Tower fire: 75 out of 75 high-rises in Britain fail fire safety tests (UNE)	9
Europe's Brexit Negotiator Urges U.K. to Show 'More Ambition' on EU Citizens' Rights.....	10
Editorial : Europe's Banking Union Fails Its Latest Test.....	10
EU Hits Google With Record \$2.7 Billion Antitrust Fine.....	11

Dougherty : Europe & Immigration – Changing Attitudes.....	11	Editorial : The Supreme Court splits the baby on Trump’s travel ban — for now.....	30
INTERNATIONAL.....	12	Editorial : The Travel Ban at the Supreme Court.....	31
The World Is Even Less Stable Than It Looks	12	Senate Health Bill Raises Uninsured by 22 Million in 2026 Compared With ACA, the CBO Says (UNE)	31
U.S. Sees Signs Syria Is Prepping Another Chemical Attack.....	13	Senate GOP health-care bill appears in deeper trouble following new CBO report (UNE).....	32
Syria Will ‘Pay a Heavy Price’ for Another Chemical Attack, White House Says	14	Senate Health Bill Reels as C.B.O. Predicts 22 Million More Uninsured (UNE).....	34
Exiled by War, Syrians in Turkey Take Cruise Down Memory Lane.....	14	Republicans eye billions in side deals to win Obamacare repeal votes	35
Pletka : Iran Won in Lebanon. What About Iraq?	15	Editorial : The Senate’s Health-Care Hour	35
Senator Puts Hold on Arms Sales to Persian Gulf Nations Over Qatar Feud	16	Editorial : Want to know the worst thing about the GOP’s health-care bill?	36
Editorial : A Senator Takes Charge in the Qatar Mess.	16	Editorial : If there's a smart path to single payer healthcare in California, we haven't found it yet.....	36
Germany Warns Turks Not to Bring Security Officers Who Face U.S. Warrants	17	Roy : The Senate Saves the 10th Amendment	37
Trump and Indian Prime Minister Modi Move to Bridge Divisions	17	Robinson : Is the GOP trying to repeal and replace itself?.....	37
South Korea Voices Support for U.S. Antimissile System.....	17	Rampell : How the Republicans’ health-care plan betrays Republicans’ own principles	38
China’s All-Seeing Surveillance State Is Reading Its Citizens’ Faces (UNE)	18	Roy : The Senate’s Secretly Bipartisan Health Bill	39
Will China Save the American Economy?	20	Leonhardt: A Vote of Conscience and Courage.....	39
Brazil President Michel Temer Is Charged With Corruption.....	22	House Republicans Close to Deal Significantly Boosting Defense Spending	40
Canada’s Secret to Resisting the West’s Populist Wave (UNE).....	23	FBI has questioned Trump campaign adviser Carter Page at length in Russia probe	41
Poll shows U.S. tumbling in world’s regard under Trump	25	The ‘international man of mystery’ linked to Flynn’s lobbying deal.....	41
Carbon in Atmosphere Is Rising, Even as Emissions Stabilize	25	Editorial : Tweeting, Not Leading, the Response to Russian Hacking	43
ETATS-UNIS	26	Cohen : For once, Trump is right about Obama.....	44
Supreme Court Allows Partial Implementation of Trump Travel Ban (UNE).....	27	Justices to Hear Case on Religious Objections to Same-Sex Marriage (UNE).....	44
Supreme Court Takes Up Travel Ban Case, and Allows Parts to Go Ahead (UNE)	27	Mayors, Sidestepping Trump, Vow to Fill Void on Climate Change.....	45
Supreme Court allows limited version of Trump’s travel ban to take effect and will consider case in fall (UNE).....	28	Mayor Landrieu : Congress and the White House should learn from America's mayors.....	46
Editorial : Travel ban: Supreme Court muddles debate	30	Editorial : Renewable energy at a ‘tipping point’	46
Editorial : A Unanimous Rebuke to Judges on the Travel Ban.....	30	Democrats’ Broad Challenge: Middle-Class Appeal	47
		Lazear : The Surprising Factor for Immigrant Success.....	48
		Editorial : A Children’s Health Crisis Officials Overlook: Shootings.....	48
		Editorial : Religious Liberty Lives.....	49
		Editorial : The seal of bilitery is a distinction worth celebrating.....	49

FRANCE – EUROPE

THE WALL
STREET
JOURNAL.

Today 6:00 am

21-26 minutes

The Nation : Macron on the March in France

By Arthur
Goldhammer

Many voters share his belief that the current crisis requires a different kind of politics—but can Macron deliver the goods?

French President Emmanuel Macron at the Élysée Palace, Paris, June 19, 2017. (Sipa via AP Images)

Emmanuel Macron courted the French electorate with the same uncanny combination of winsome charm, implacable will, and clever calculation that he drew on to woo his high-school drama teacher, who would later become his wife. To judge by his astonishing presidential run, and now by the substantial majority (308 out of 577 seats) that his fledgling party has won in the National Assembly, it might seem that he has made yet another remarkable conquest.

But that would be an exaggeration. The French remain wary of smooth-talking charmers, and the record-low turnout in the second round of the legislative elections on June 18 is but the latest indication that voters have not all swooned over Macron. They are not sure, in their heart of hearts, that they really want the change he has promised, which they suspect in any case will prove futile. Indeed, at the inception of his candidacy, the conventional wisdom was that Macron would lose precisely because he represented not change but rather more of the same: He was “*Hollande bis*,” his detractors charged, and because of outgoing Socialist president François Hollande’s extreme unpopularity, it seemed certain that the man he had once hailed as his “spiritual son” could not win.

Macron deliberately let his impatience show. To be sure of making an impression, he often spoke out of school, earning the occasional paternal rebuke. Undaunted, the young protégé proclaimed that he was not the

president’s “servant.” So persistent were these seeming slips, so well contrived to create the image of a man who knew precisely where he would go, if only he could free himself from the fetters imposed by timorous superiors, that it was hard to avoid the conclusion that they were calculated. While serving Hollande, Macron artfully painted (or induced the media to paint) a portrait of himself as his patron’s exact opposite: bold rather than cautious, frank rather than secretive, decisive rather than hesitant, steely rather than gelatinous.

Impatience has always been Macron’s hallmark, since long before he came into Hollande’s orbit. He left public service for a time when climbing the hierarchical ladder proved too slow. He subsequently quit the private sector, despite a rapid rise in the world of mergers and acquisitions, when President Hollande invited him into the inner sanctum of state power, first as a presidential adviser, then as minister of the economy. While still serving in the latter post, he began raising money for En Marche, the movement that would eventually become his presidential vehicle. And he began recruiting candidates to run under the aegis of the “presidential majority” months before his own victory was assured.

All things come to those who wait, particularly those like Macron who have won every preliminary heat in the race to the top. Still, bidding one’s time is never pleasant. Macron’s demonstration that waiting might well be unnecessary proved attractive to others of his cohort already embarked on careers but less audacious in seizing the main chance. While former president Nicolas Sarkozy’s agitated exertions to persuade the French that greed is good earned him the sobriquet “*Sarko l’Américain*,” Macron’s lean and hungry look calls to mind a different kind of American restlessness, captured in the opening lines of Saul Bellow’s *The Adventures of Augie March*. Like Augie, Macron was the “first to knock [and] first admitted” among his peers, and there wasn’t “any way

to disguise the nature of the knocks by acoustical work on the door or gloving the knuckles.” This was a young man who would stop at nothing, and whom nothing would stop.

Googling the words *Macron gendre idéal* (“Macron ideal son-in-law”) yields numerous hits. The same cliché seems to have occurred simultaneously to many observers seeking to fathom the mystery of the young man’s appeal. You can see why your daughter might fall for such a fellow, the image suggests, but you can’t help wondering if she’ll end up miserable down the road.

If Macron made his elders anxious, he also worried his contemporaries, especially those less able to leap the hurdles that life put in their way. According to the polling firm IPSOS, Marine Le Pen of the National Front actually won a plurality of the votes in Macron’s age cohort, the generation that turned 30 just as the Great Recession devastated economies around the world. Le Pen garnered 29 percent of the voters age 35–49, compared with Macron’s 21 percent, which was nearly equal to the share that went to Jean-Luc Mélenchon on the far left. By contrast, Macron led in the 25–34 category, taking 28 percent of the vote, compared with 24 percent apiece for Le Pen and Mélenchon. (As for the elder vote, the lion’s share went to the Republican candidate François Fillon, who led in both the 60–69 and over-70 categories.)

Do these numbers weigh against the idea that Macron was the candidate of a frustrated generation now in the prime of life but blocked by a stalled economy? A breakdown of the vote by occupational categories helps to clarify the picture. Macron did well with senior and middle-level managers, whereas Le Pen dominated among blue-collar and clerical workers.

Macron triumphed by winning the top of the income distribution while staying competitive with voters his own age.

Normally, management votes on the right, but this year Fillon garnered only 20 percent of their vote (compared with 36 percent of retirees, the group in which he ran strongest). Another thing to note about the Macron vote is that it increased with income: He led with 25 percent of the vote among those earning between €2,000 and €3,000 a month, and garnered an even larger share (32 percent) among those earning more than €3,000 a month. In other words, Macron triumphed by winning the top of the income distribution while remaining competitive with people roughly his own age, whose vote was split among the center and the two extremes. To quote the IPSOS characterization of this segment of the electorate: “Macron appealed to ‘optimistic’ France, to those who are doing reasonably well and who believe that the younger generation will do even better.”

Optimism—the optimism of the well-educated, well-fed, and gainfully employed—is what triumphed in France in 2017. But how can this be, when for years newspapers and magazines have preached that France is the “champion of pessimism in Europe” (as the headline of a *Le Monde* article put it in 2013)? Isn’t France the country whose best sellers in recent decades have included *The Unhappy Identity*, *French Suicide*, and *The France That Is Falling*? Wasn’t it in France that the wave of populist nationalism that brought us Brexit and President Trump was supposed to culminate in the election of Marine Le Pen?

One way to understand what happened is to note that in French politics, optimism has long come in two forms: revolutionary and progressive. Revolutionary optimism requires a belief in the possibility of wholesale change, in the ability to erase the past and create everything anew. By contrast, progressive optimism stems from the conviction that the problems that arise in the life of any society are best tackled one at a time, because trying to change everything at once only makes things worse. Historically,

revolutionary and progressive optimism were conflated in the Third Republic (1870–1940), whose founders believed that they were continuing the work of the Revolution of 1789 when, in fact, they were incrementalist problem-solvers.

This year, it was the extremes that laid claim to revolutionary optimism: Restore national sovereignty, dump the euro, withdraw from the European Union, close the borders, and all will be well. Denouncing all this as hopeless utopianism, Macron—whose campaign manifesto bore the deliberately misleading title *Révolution*—preferred to present the country's predicament as a series of discrete problems that could be circumscribed, analyzed, and resolved. He may have wished to perpetuate the venerable conflation of revolution with progress, but no one took the title of his book seriously, for he was clearly not a revolutionary but a “disrupter,” to borrow from today's fashionable business jargon. He is not Robespierre, but a visionary entrepreneur of the sort admired in business incubators from Palo Alto to Berlin.

Quick to see an opportunity in the failure of the established political parties to meet the demand for politics as problem-solving rather than revolution, Macron organized a start-up to fill the need. As the journalist Mathieu Magnaudeix put it, he entered this “depressed market” like a “captain of industry” determined to build a “monopoly” capable of capturing the market share once claimed by those relics of the French political Rust Belt, the Socialists and the Republicans. His carefully designed, well-executed business plan impressed peers for whom the successful entrepreneur not only stands at the top of the social hierarchy but also represents the highest form of freedom. Others inhabit roles made for them; only the entrepreneur is free to define him- or herself.

With an eye to the frequent appearance of management jargon in Macron's speeches, Cécile Alduy, an astute analyst of political rhetoric at Stanford University, observed that he appeared to be “selling a product” and had conducted “market studies to ask people what they want.” In her estimation, Macron is the political equivalent of that other genius of self-invention, Steve Jobs. And, like Jobs, Macron was drawn to the latest in high tech: He engaged the big-data firm Liegey Muller Pons to help him target precisely those electoral districts where his innovative political product would find the most takers. What his “customers” turned out to

want was not so much substance as “style” or even “magic.” In answer to criticisms that he lacked a detailed platform, Macron insisted that it was “a mistake to think that a platform is the heart of a campaign.”

Substance still mattered, but it was secondary, because a perfectly decent “technology” could be brought to market and still fail if it found too few takers. Others had suspected the existence of a rich lode of voters in the political center before Macron: Former prime minister Manuel Valls had urged his Socialist Party to drop the “socialist” label, to no avail. On the right, Alain Juppé had tried to nudge crotchety Republicans toward the center, but most labored under the illusion that the greener pastures they sought were to be found not in the center, but on the far right.

Undeterred by the risk of being crushed between these two mastodons, Macron did not hesitate to position himself squarely in the middle. By claiming to take “the best” from both left and right, he appealed to those who believed that neither held an exclusive claim to virtue. Alone to seize the opportunity in the political center, Macron was the first to put together a package enticing to both camps. He thus reaped the first-mover advantage that accrues to innovators in every field.

Capitalizing on this, he then did what anyone with a dominant market share would do: He moved to create an invincible monopoly by absorbing the strengths of his weaker competitors. He raided the Republicans for a prime minister, a finance minister, and a budget minister. These were top managers in the Macron mold: young, dynamic, well-educated. Like the president, Prime Minister Édouard Philippe brings private-sector experience to the table. Complementing Macron's foray into finance, Philippe once worked for Areva, a nuclear-power-plant manufacturer. The new executive team thus gleamed with a high-tech sheen.

The record-low turnout in the second round should remind Macron that his extra-ordinary luck could desert him at any time.

At the same time, the president brought in older, more experienced hands from the center-left to assume responsibility for domestic security and foreign affairs, along with centrists to take charge of justice, European affairs, and the military. Again, the analogy to the business world is illuminating: Having just gone public, Macron Inc. has tried to balance dynamism and energy in its boardroom with experience and gravitas as it

transitions from start-up company to mature player.

It would be misleading, however, to suggest that Macron has taken all of his cues from the venture-capital playbook. In the days after his election, any number of stories called attention to his intellectual credentials, which are every bit as impressive as his business résumé. Macron studied with the Marxist philosopher Étienne Balibar and worked as a research assistant for the even more eminent Paul Ricœur. Most telling for his political philosophy, however, was the pitch-perfect paraphrase that he offered (in an interview with the weekly magazine *Le 7*) of the work of the political theorist Claude Lefort, who argued that the execution of the king during the French Revolution had left an “empty place” that the political system has been struggling to fill ever since. Macron pointed to the importance of authority figures like Napoleon III and Charles de Gaulle in filling that void and explained that, after de Gaulle, “the normalization of the president left an empty chair once again at the center of political life. Yet this is a role that people expect a president of the Republic to fill.” Here was yet another gibe at his patron and predecessor Hollande, who had famously proclaimed his desire to become “a normal president.” More importantly, it is also a clue to Macron's intentions.

Despite his inexperience, the new president imagines himself a figure of sufficient magnitude to fill the empty place left by de Gaulle. People have been drawn to Macron's politics by his bold promise to fill this void—people estranged from politics by their sense that the established parties, in the grip of outworn ideologies and factional quarrels, can no longer even state clearly, let alone solve, the country's real problems. In the words of the political analysts Elie Cohen and Gérard Grunberg, “Macron correctly diagnosed the [lamentable] state of the parties,” and therefore resolved to form his own movement rather than rely on an existing party organization.

This decision was key to his rise. It was a risk, but one worth taking because so many people had become convinced that the political parties were paralyzed by internal dissension. If the Hollande presidency had made anything clear, it was that the breach between the Socialist Party's market-friendly and market-hostile factions could never be healed. It is nearly 20 years since the then Socialist prime minister, Lionel Jospin, said “yes to a market economy, no to a market society”—

yet the struggle over labor-market reform under Hollande convinced Macron that many who called themselves Socialists would never assent to the market or agree with Jospin that “the state cannot do everything.” With the party lost in vain quarrels over the precise elasticity of the term “socialism,” the reasons for slow growth and persistent unemployment could not even be discussed two decades after the issue had supposedly been laid to rest by Jospin.

On the right, meanwhile, the Republicans were similarly divided by dogmatic disputes over identity and sovereignty. Was Europe antagonistic or complementary to French identity? Did France remain a sovereign nation when it submitted to the directives of the European Union—directives over which it exerted considerable influence as a founding member of the EU? Such questions can be debated with theological subtlety in academic seminars, but the Republicans have to contend with the seduction of their electorate by the sirens of the far right, who wield the watchwords of “identity” and “sovereignty” as bludgeons.

What Macron saw was that many voters, tired of the endless bickering on both left and right, had begun to hope for a different kind of politics—a politics attuned to the modern world, which in Macron's lexicon means attuned to the globalized economy of open markets and the free flow of capital, labor, and goods. When he transformed En Marche, his presidential vehicle, into La République en Marche (REM), the party through which he hopes to govern, Macron laid down two conditions that also reflect his understanding of modernity: The party ticket should maintain strict parity between men and women, and as many candidates as possible should be recruited from outside the ranks of elected officials. This proved to be another shrewd bet. In many districts, the REM candidate was relatively unknown, but it was enough to say “I'm with the president” to win. Voters shared Macron's sense that the politics of the past few decades had become archaic and that modern conditions required a new kind of political effort.

Not *all* voters, however—in the end, the legislative elections merely confirmed the results of the presidential election before them. Macron's party carried the prosperous optimists but left the other two-thirds of the electorate indifferent, if not downright hostile. Only in a two-round majority system like France's could a party with the initial support of less than a third of voters take well over half of the

seats in the National Assembly. Turnout in the first round was disappointing (just under 49 percent), and in the second round verged on the dismal (at just over 43 percent). Relative to the inflated projections that followed the first round, REM didn't do as well as expected, with 308 out of 577 seats. Still, as recently as a month ago, no one thought the new party had a chance of obtaining even a bare majority, let alone a comfortable one—even more comfortable when you add the 42 seats allotted to the allied MoDem (Democratic Movement) party, led by former justice minister François Bayrou (who recently resigned, along with two other MoDem ministers, following allegations that their party had made improper use of parliamentary assistants paid by the European Union).

It is important to note how decisively the electoral system influenced the outcome. France's white working-class voters are no less alienated than those in the United States, and Macron's sympathy for finance and business is neither more nor less

pronounced than Hillary Clinton's. That he won by a landslide while she lost by a hair are matters of electoral mechanics and arithmetic rather than fundamental social health or debility.

In France, the opposition, though moribund, is not quite dead. The Republicans and their bloc will have an estimated 136 seats, the Socialists and theirs 45, the far-left France Insoumise 17, and the National Front eight. These numbers don't tell the full story, though: Macron's army of optimists hit all these political formations with the force of a wrecking ball, breaking them apart along the lines described earlier. Many who'd held leadership roles in these parties failed to win re-election, opening up the possibility of internal battles to come.

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Consider the National Front: Although Le Pen won a seat in the

National Assembly for the first time in her long political career, her trusted deputy Florian Philippot was defeated. Within the party, Philippot is widely seen as the architect of the new line that has steadily increased the National Front's vote share but failed to carry it over the finish line to the presidency. He has already come under fire from opponents who believe that Le Pen's promise to withdraw France from the euro—urged on her by Philippot—was responsible for her defeat. Immediately after the presidential election, perhaps reading the handwriting on the wall, Philippot formed his own "Patriots" faction. He could split from the party if things become too uncomfortable in the wake of his parliamentary defeat. Similar uncertainty hangs over the other opposition parties as well.

The record-low turnout in the second round, coupled with REM's failure to meet expectations, however inflated, should remind Macron, if he needs reminding, that his extraordinary luck could desert him at any time. A first sign that he has already heeded the warnings

came on the day after the second round of the legislative elections, when he asked Richard Ferrand, his right-hand man during the campaign, to step down from the government to head the REM group in the National Assembly. This preemptive maneuver will limit the damage in the event that Ferrand, who is currently under investigation for alleged corruption, is indicted.

Now, in any case, the real work begins. Macronism remains to be defined. The president sold himself as the proponent of a "modernized" approach to politics, but the self-consciously modern has a way of quickly coming to seem old hat. Today's "French modern" politics may soon look as dated as Danish-modern furniture does now. Those who abstained on June 11 and June 18 constitute a majority. Macron's victory, while giving hope to those who share his optimistic outlook, has done nothing to dispel the gloom of those who stayed home. How they will choose to express their disappointment remains to be seen. There could be immense surprises in store.

Washington Examiner : Will Trump and Macron actually work together well on

Syria?

Daniel DePetris, contributor

5-6 minutes

Emmanuel Macron said something out of character during his first interview with European newspapers as France's president. And to the surprise of many, the comment may have actually brought him closer to President Trump—a man whose nationalism and anti-global sentiment Macron has taken pains to distinguish himself from.

Asked about his plans for Syria, Macron sounded as if he just got off the phone with Trump after a two-hour conversation. "The real change I've made on this question," Macron told the reporters assembled in the presidential garden last week, "is that I haven't said the deposing of Bashar al-Assad is a prerequisite for everything. Because no one has introduced me to his legitimate successor."

Assad, in Macron's view, may be a mass murderer responsible for the deaths of 500,000 people and someone deserving to sit in the defendant's box at the International Criminal Court. But at the same time, Assad is clearly winning the war and boxing his opponents into an ever-shrinking space of northwestern Syria. Dictating an

entire Syria policy based on Assad's immediate resignation from office, therefore, would be like building a house out of cards. Eventually, the house would collapse, and a lawless vacuum would be created.

Macron went on to briefly describe his strategy for Syria, which was ominously similar to Trump's own thinking. Defeating the Islamic State and international terrorism, working with Russian President Vladimir Putin to "eradicate them," and ensuring a structure that would make Syria somewhat stable are Macron's priorities. Nowhere on that list is pushing Assad out of power and repacking his regime from one of dictatorship to one built on democratic principles. "With me, there will be an end to the kind of neoconservatism imported into France over the last 10 years."

Delete the word "France" and substitute it with "the United States," and that line could very well have been used by Trump during one of his massive rallies.

In fact, Trump's disdain for neoconservative policies and unending U.S. military deployments overseas comes very close to Macron's own crusade against neoconservatism. Indeed, when most of the presidential candidates on both sides of the aisle last year were asked to discuss their

strategies in relation to Syria, they largely promoted the same combination of destroying the Islamic State and removing the Syrian government at the same time.

Trump, a candidate who was never reluctant to bash the invasion of Iraq in 2003 as an ill-planned, liberal-crusade that went wrong very early in the war, offered another recommendation entirely. Focus first and foremost on eradicating the Islamic State and deal with the Assad question down the line. All of Trump's political opponents laughably referred to his prescriptions foolish, a kind of "get out jail, free card" for a dictator who killed hundreds of thousands of his own people during the course of the war.

But, to the extent that Macron's interview sheds a light on his foreign policy convictions, apparently Trump wasn't the only individual who believed the Islamic State was more of a national security threat than the Assad regime's survival.

Will Macron and Trump soon be best friends? No, of course not. Macron loves the transnational European project, ran on a probusiness, internationalist trade outlook for France, and hugs the European Union tight with both arms. And two men differ noticeably

on climate change, with Macron regarding it as a serious environmental and national security problem while Trump views it in less than existential terms.

On Syria at least, Trump and Macron are on the same wavelength.

The personalities of the two are bound to clash over the next 3.5 years, and Washington and Paris will without question clash to reconcile their positions on issues pertaining to the European Union. But if they have it within themselves to arrange a friendly, business-like relationship, Trump and Macron may be able to temper the desire among their western colleagues to repeat the Iraq and Libya experiences—launching military interventions that, far from exporting democratic governance in foreign societies, resulted in situations that produced disorderly states, churning out thousands of terrorists at a time.

The international state system would be better off because of it.

Daniel DePetris (@DanDePetris) is a contributor to the Washington Examiner's Beltway Confidential blog. He is a fellow at Defense Priorities.



France's new lawmakers open first parliament session

ABC News
4-5 minutes

At least five Republican senators all say they will oppose a key procedural vote expected this week on the GOP health care plan that will repeal and replace Obamacare - a move that would effectively block the GOP health care bill from reaching the floor.

Sens. Susan Collins of Maine, Rand Paul of Kentucky, Dean Heller of Nevada, Mike Lee of Utah and Ron Johnson of Wisconsin have signaled they will vote no, or plan to vote no, if there are no changes made to the legislation ahead of the vote, expected Tuesday or Wednesday.

With only 52 seats in the Senate, Republicans can only afford two defections and still advance the health care bill.

This news comes on the heels of the Congressional Budget Office (CBO) report released Monday that estimates that 22 million more Americans will be uninsured by the end of the next 10 years under the Senate Republican health care plan than under current law, with 15 million more uninsured persons in the next year alone.

Sen. Collins, who earlier today had been uncommitted on advancing the health care measure, tweeted tonight: "I want to work w/ my GOP & Dem colleagues to fix the flaws in ACA. CBO analysis shows Senate bill won't do it. I will vote no on mtp." MTP refers to Motion to Proceed, the procedural vote that brings up a bill on the floor for consideration.

I want to work w/ my GOP & Dem colleagues to fix the flaws in ACA. CBO analysis shows Senate bill won't do it. I will vote no on mtp. 1/3

— Sen. Susan Collins (@SenatorCollins) June 26, 2017

Before the Senate can begin debate on most legislation, the senators must either unanimously agree to consider it or the majority leader must offer a "motion to proceed" to consideration of that bill.

The 22 million figure, which is only a slight improvement from the CBO's estimate of the health care bill passed by the House of Representatives in May, comes in the office's analysis of the Better Care Reconciliation Act, a draft of which was released last week.

The act, which faces staunch opposition from Democrats, could further result in a reduction of the

cumulative federal deficit by \$321 billion by 2026, largely due to cuts in Medicaid spending, according to the CBO's report.

"I won't vote to proceed unless the bill changes," Sen. Paul told reporters Monday. He wants the GOP legislation to go even further in rolling back certain Obamacare measures.

Paul said he spoke with President Trump Sunday evening, but lamented over the lack of communication he has received from GOP leadership.

"I had a long conversation with the president last night and I think he's open to negotiations, but we have not had any word from anyone in Senate leadership," he said.

"No one from leadership has reached out to us," he added. "I would highly doubt I would support it," Sen. Ron Johnson told reporters of the motion to proceed. Johnson has been adamant in recent days to hold off on a vote on the bill, which leadership is pushing to happen before the July 4 recess.

Sen. Lee through a spokesman confirmed to ABC News that he also intends to vote "no" on the

procedural vote unless changes are made.

On Friday, Sen. Dean Heller said he would not support the bill as it is during a press conference with the Nevada governor.

Is there room to negotiate?

Moments after the CBO score was released Sen. Lindsay Graham, R-South Carolina, said the vote was getting tougher by the minute.

"How you put all this together and get to 50 is going to be very tough and the CBO score doesn't help any. If you had problems with the bill before, you're probably going to have more problems now," he said.

Graham said if senators are considering voting no because of how it will affect their states, then stick to it and vote no.

"I don't believe in this running off a cliff like our Democratic friends did. They got this herd mentality where we gotta pass this bill or else," he said.

Graham is still leaning yes on voting in support of the bill.

ABC's MaryAlice Parks and Adam Kelsey contributed to this report.



Bershidsky : Macron Can Follow Germany's Lead on Labor Reform

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7-9 minutes

European Economy

Germany's Hartz reforms made working more attractive; Macron's plans appear to miss that target.

by

26 juin 2017 à 11:06 UTC-4

Find Schroeder's footsteps and follow them.

Photographer: STEPHANE DE SAKUTIN/AFP/Getty Images

The German economy is in a remarkably rosy phase. According to data published on Monday by the Ifo Institute, business confidence is at a record high since 1991. The Bundesbank has raised its growth forecasts through 2019. One of the reasons for this surge of optimism is that the German labor market is performing well. At 3.9 percent, the unemployment rate is lower than it has been since the country's reunification.

It's often said that to achieve the same kind of economic buoyancy, France needs to relax its fearsome labor laws in the same way as Germany did in the early 2000s, under Chancellor Gerhard Schroeder. French President Emmanuel Macron's plans for labor reform, however, bear little resemblance to the 2003 Hartz reforms in Germany, named after Peter Hartz, the former personnel director of Volkswagen, who headed the commission that worked on the legislation.

Exactly what Macron intends to do on labor reform isn't quite clear yet, but French media have provided glimpses of the draft legislation. So far, Macron's innovations appear to include:

- greater flexibility in hiring people on a project basis, for example for the duration of a construction project;
- a cap on severance pay and a streamlined judicial procedure in termination cases;

- priority for firm-wide labor agreements over industry-wide ones;
- easier justification for layoffs "for economic reasons," which now requires proving that a company is facing problems globally, not just in France;
- making unemployment assistance available to freelancers, self-employed people and those who resign;
- increasing to 59 years the age at which workers are eligible for three rather than two years of unemployment benefits;
- cutting off benefits to employees who refuse at least two "decent" job offers.

These plans appear to set up a tougher confrontation with the unions than Hartz meant for Schroeder. They also do less to make working a better proposition than claiming benefits, something

France needs as much as Germany did during Schroeder's tenure as chancellor. Before Hartz, childless unemployment recipients were entitled to 60 percent of their previous salary for up to 32 months. After that, the benefit dropped to 53 percent of previous pay. Unemployed people could turn down jobs offered by the government, and they did so, in droves: The benefits were generous enough to survive on, and, though unemployment reached 13.4 percent in 2002, there was a thriving black market for labor so that those in need of supplementing their government incomes could always make some extra money. Hartz IV, the most hated part of the reform which likely lost Schroeder the 2005 election, unified unemployment benefits at 50 percent of previous salary and made it difficult to turn down job offers.

Hartz also introduced part-time opportunities that made hiring and firing easier -- but substantial enough sweeteners were attached to them that Germans were motivated to take them rather than claim benefits. Taxes and social contributions were lowered for these situations. The economics of

working part-time suddenly looked attractive.

France's unemployment benefit system is more generous than the pre-Hartz German ones, at least for the first two or three years of job-seeking, depending on the worker's age. An unmarried French worker receives an average of 68 percent of previous income, compared with a European average of 59 percent. It's also much easier than in other rich European countries to get access to these high benefits: A French resident must

only work for a total of four months during a 28-month period. In Germany, only those who have worked for at least a year get unemployment insurance.

The Hartz reforms-- implemented, after all, by a Social Democratic government -- didn't infringe too much on Germany's powerful collective bargaining traditions. In Germany, industry-wide pay agreements still take precedence and a majority of workers are covered by them. The German labor movement is still going relatively

strong: The country's union density - the proportion of wage earners who are union members -- is about 18 percent, compared with less than 8 percent in France. That hasn't prevented Germany from overtaking France in terms of economic growth and unemployment reduction.

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The battle is just beginning for Macron. There is still time for him to figure out what works and what doesn't. He would be considered extremely successful if he could bring France's unemployment rate, currently 9.5 percent, to the German level. Given France's slightly higher labor productivity, it could bring impressive results. But if he gets there, it will be by a different path than Germany took.

Forbes : Milton Friedman Proven Right By, Remarkably, Thomas Piketty And The French Tax System

Tim Worstall

4-6 minutes

This is an interesting little point from Thomas Piketty, the French income tax system does not use tax withholding unlike the tax system of just about every other rich nation. This is something that has been passed into law, that such withholding should arrive, but it's also something that Macron seems to be against. That's just a little oddity of course, but it does show that Milton Friedman was right on yet another thing. Tax withholding allows the government to charge a higher rate of tax. The insight is obvious--we feel much less pain about having a regular portion of the wages we never even see being taken than we do if presented with one humongous bill each year.

Thus we would expect a country without withholding of income tax to have a lower general rate of income tax. And that does indeed seem to be true.

Piketty is here:

What are we talking about? The deduction of income tax at source was implemented in 1920 in Germany and Sweden, during World

War Two in the United States, the United Kingdom and the Netherlands, and in the 1960s-1970s in Italy and Spain. France is the only developed country which has not introduced this. This is one of the most archaic aspects of our tax system and our administration. In this respect, we are between 50 and 100 years behind all other countries.

Further:

The truth is that deduction at source has already been established in France since 1945 for social contributions. In total, income deducted at source amounts to more than 20% of GDP, if one includes all social contributions (including CSG), whereas income tax represents less than 4% of GDP.

Friedman did not invent withholding of course, given that it was implemented in at least one country when he was still in short trousers. But he was very much the man responsible for introducing it in the US:

It was a very interesting and very challenging intellectual task. I played a significant role, no question about it, in introducing withholding. I think it's a great mistake for peacetime, but in 1941-43, all of us were concentrating on the war.

I have no apologies for it, but I really wish we hadn't found it necessary and I wish there were some way of abolishing withholding now.

The reason why he didn't like it is that it means government can charge us more in taxes:

If the \$5,581 were gradually taken out of one's paycheck over the course of the year and no money was owed on April 15, the pain of the theft would be greatly diminished, but for two entirely different reasons. Obviously, it is less painful to have \$107.33 taken out of one's check every week for fifty-two weeks than writing a check to the government for that amount every week or a check for the whole amount once a year. The second reason the pain of the \$5,581 loss would not readily be felt is that very few people pay any attention to the amount of taxes that are withheld from their pay. They are concerned only with their take-home pay.

A perfectly rational being would see the two for what they are, exactly equal. We humans are not perfectly rational beings and thus we don't. So, withholding allows higher tax rates. I, and Friedman, think this a bad thing. Your view may vary.

But to the use of this as proof that Friedman is right. France is

generally a higher tax country than the US. Actually, about twice--the percentage of GDP cycled through the state in France is almost exactly twice that cycled through all levels of government in the US. For example, where they do have withholding, those social security taxes, they are much higher than the equivalent FICA in the US. But then look at the income tax. It's 4% of GDP in France, near 10% for the federal individual income tax (ie, before we look at state income taxes). That is, a generally higher tax country has a lower income tax take than a generally lower tax one, at least part of which is because of that absence of tax withholding.

OK, alright, I'd be hesitant to ascribe it only to that but it is at least highly suggestive, isn't it?

As to the policy implications here, if you truly want to lower the amount government takes in taxes then move to a system where all tax must be paid on just the one day, the individual turning up to the office with the amount in cash. That would start a certain movement for a lowering of the total take, wouldn't it?

Business Insider : Tour de France team uses noninvasive blood test Ember for first time

Daniel McMahon

6-8 minutes

George Bennett, who in May won North America's biggest bike race, the Tour of California, says he's used Ember as part of his training for the Tour de France. Courtesy of Team LottoNL-Jumbo

In a first for the Tour de France, a professional cycling team is using a blood-testing technology that almost

instantly tells riders how their bodies are reacting to training and racing, and it could change how the world's best bike racers prepare for target events.

The device, called Ember, is made by California-based Cercacor Laboratories and tracks hemoglobin and other biomarkers. It was launched last year at the Consumer Electronics Show, but this is the first time a full pro cycling team,

LottoNL-Jumbo, is using the device at the sport's highest level.

Unlike a traditional test that draws a drop of blood with a finger prick, Ember uses only light waves, so it's noninvasive. Riders insert a finger into a clip sensor, and the device measures the flow of blood through arteries using LED technology and algorithms.

This use of LED technology has already been shown to work effectively in other kinds of blood

tests, such as those that screen for conditions like anemia.

Ember, which the company refers to as "essentially a pocket laboratory," is smaller than an iPhone and connects via Bluetooth to a phone or tablet. Courtesy of Cercacor

Whereas it used to take days or weeks to get test results, Ember gives riders data about their bodies on their phone screens within 30 seconds. It comes in two versions,

Ember Sport Premium (\$700) and Ember Sport (\$400).

Optimizing high-altitude training

Ember measures hemoglobin, oxygen content, oxygen saturation, perfusion index, pleth-variability index, pulse rate, and respiration rate. A key biomarker for endurance athletes is hemoglobin, the protein contained in red blood cells responsible for delivery of oxygen to tissues.

The concentration of red blood cells, known as hematocrit, can be an important indicator of cycling performance. Generally, the higher a rider's hematocrit, the better the rider will perform. It's why many of the world's top cyclists train at high altitude to boost their hematocrit before big races like the Tour. Team LottoNL–Jumbo training for the Tour de France. Courtesy of Team LottoNL–Jumbo

While training in the high mountains does help boost hematocrit, it hasn't always been easy or convenient for teams to measure the effectiveness of altitude training. Getting regular blood tests the traditional way is also expensive.

Cercacor says that by tracking riders' levels of hemoglobin and other biomarkers when they wake up, after

workouts, and before they go to sleep, Ember lets the athletes measure their bodies' response to the duration and intensity of training, recovery time, and elevation and adjust their programs as needed. With Ember, athletes insert a finger into a clip sensor that measures the flow of blood through arteries using LED technology and algorithms. YouTube/Cercacor Laboratories

The data can help riders decide with greater accuracy whether they should rest more, maintain their training program, or train harder. It also helps teams decide how much altitude training is sufficient and how long the effects of altitude training will last once back down at sea level, which can be game-changing when fine-tuning the body for target events.

Cercacor says Vassilis Mougios, a professor of biochemistry at the University of Thessaloniki, has worked with the company and run several studies with athletes who use Ember. It also said it held a roundtable in January in Boulder, Colorado, at TrainingPeaks' headquarters with well-known cycling coaches, including Ben Day and Neal Henderson, to get feedback about Ember and the app. Cercacor says it is planning to incorporate changes based on their input.

The Netherlands-registered Team LottoNL–Jumbo said several of its athletes had been using Ember while training for the Tour and other races this season. The team can tweak riders' training programs, build a historical record, and segment and track the team's collective data.

Mathieu Heijboer, the head of performance for LottoNL–Jumbo, says he began using Ember with some of his riders to help assess daily recovery during a three-week training bloc at altitude before racing in the recent Giro d'Italia, where one of its riders, Jos van Emden, won the final-stage time trial. Ember calculates hemoglobin and pulse rate in 30 seconds. YouTube/Cercacor Laboratories

While the team was at altitude, Heijboer said, he saw that riders' subjective feedback about how they felt each morning — regarding pain, readiness, and so forth — actually matched their hemoglobin numbers anecdotally, though that is obviously anecdotal and not scientific.

"When a rider felt tired or less strong, his hemoglobin values were below baseline," the team said. "The opposite was also true."

Fine-tuning for the Tour Team LottoNL–Jumbo. Courtesy of Team LottoNL–Jumbo

George Bennett said he used Ember while training for May's Tour of California, which he won.

"My season has been built around specific targets, using altitude camps as a major part of my build up for each goal," Bennett said. "I have been able to track my progress and the effectiveness of each altitude block as well as help my recovery and adaptation using the Ember device."

A spokesman for Cercacor told Business Insider that the company had a one-year partnership with LottoNL–Jumbo. While Cercacor provides the team with Ember devices, he added, it does not pay the team to use the product.

The Tour de France starts July 1 in Düsseldorf, Germany, and ends July 23 in Paris. Bennett is expected to join Robert Gesink as LottoNL–Jumbo's two leaders.

Cercacor told Business Insider that both riders used Ember at a pre-Tour training camp and that the team would use Ember during the three-week race to test its riders' hemoglobin levels and the other biomarkers.



Theresa May Clinches Deal With Northern Irish Party to Support Minority Government

Jason Douglas and Stephen Fidler

5-7 minutes

Updated June 26, 2017 11:39 a.m. ET

LONDON—U.K. Prime Minister Theresa May clinched a deal with a group of Northern Irish lawmakers that will keep her Conservative Party in government despite the loss of its Parliamentary majority in elections this month.

Downing Street on Monday said the Conservatives agreed to a so-called confidence-and-supply arrangement with Northern Ireland's Democratic Unionist Party that guarantees the smaller party's support at critical Parliamentary votes—including those associated with the country's exit from the European Union.

The deal means Mrs. May is likely to clear her first major Parliamentary hurdle since losing her majority when lawmakers on Thursday vote on her party's legislative agenda.

But while dispelling some of the political uncertainty dogging the U.K. since the June 8 vote, big questions

remain about whether she will be able to push through critical parts of the agenda, including over Britain's departure from the European Union.

The government's majority is thin and vulnerable to any rebellions from within her own party, either from its anti-EU or pro-EU wings. Also the House of Lords, the unelected second chamber that is strongly anti-Brexit, is also likely to claim more scope to hold up or amend legislation proposed by a minority government.

Big questions remain, too, about Mrs. May's future as leader. Those have been amplified by her unsure handling of the fire in the Grenfell Tower apartment building that killed at least 79 people.

Mujtaba Rahman of the Eurasia Group consultancy described the Conservative Party's mood as volatile, saying "a change of Tory leader is still possible within months." In any event, he wrote in a research note, Mrs. May is unlikely to survive long enough "to do Brexit." The U.K. expects to leave the EU in March 2019.

He said one factor helping her hang on was the absence of a natural

successor among leading Conservative politicians.

Some Conservatives are also concerned about creating further uncertainty with Brexit negotiations under way, and eager to avoid a further general election in which the main opposition Labour Party could gain further ground and could even lead a new government.

David Davis, the Brexit minister and a likely candidate to succeed Mrs. May, said on Sunday that talk of replacing her was "self indulgent."

Speaking outside Downing Street after the agreement with the Conservatives was announced, DUP leader Arlene Foster said the pact "will operate to deliver a stable government in the United Kingdom's national interest at this vital time."

The party agreed to back the Conservatives' tax and spending proposals and other crucial votes that governments in the U.K. must win to stay in office. It also has agreed to support the government on all legislation pertaining to Brexit, according to a three-page document setting out the terms of the pact. Support on all other policies will be

determined "case by case," the agreement said.

In return, London pledged an extra £1 billion (\$1.27 billion) of public spending in Northern Ireland over the next five years in areas including infrastructure, education, health and economic development. Mrs. Foster said the Conservatives also agreed to ditch proposals on overhauling benefit payments for retirees that the DUP opposed.

Mrs. May sought to ease concerns that the deal with the DUP would undermine the U.K. government's role in supporting the peace process in Northern Ireland. Under the terms of the Good Friday Agreement signed in 1998, the British and Irish governments act as impartial mediators between the main Protestant and Catholic parties.

Mrs. May said the U.K. remains steadfast in its commitment to the peace process and the revival of Northern Ireland's devolved government in Belfast, where power is shared between mostly Protestant pro-British political parties including the DUP and Irish nationalists such as Sinn Féin. The assembly has been suspended since February amid recriminations over a botched

renewable-energy plan and other disagreements.

The Conservatives won 317 seats in a national election June 8, falling short of the 326 needed for an outright majority in the U.K.'s 650-seat House of Commons. Adding the DUP's 10 to Mrs. May's tally gives her a working majority of 13,

because Sinn Féin's seven elected lawmakers don't take up their seats and three others serve as Parliamentary officers and don't participate in votes.

Sinn Féin criticized the pact. "It provides a blank check for a Tory Brexit, which threatens the Good

Friday Agreement," said the party's president, Gerry Adams.

However, Ireland's foreign minister, Simon Coveney, said he welcomed both parties' recommitment to the Good Friday Agreement as well as "the commitment by the British Government to govern in the

interests of all parts of the community in Northern Ireland."

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**The
Washington
Post**

Grenfell Tower fire: 75 out of 75 high-rises in Britain fail fire safety tests (UNE)

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

8-10 minutes

LONDON — Britain on Monday confronted a rapidly growing fire-safety crisis after tests of the exterior cladding on dozens of public-housing towers revealed a 100 percent failure rate, raising fears that this month's deadly inferno in London could be replicated elsewhere.

Out of 75 high-rise buildings tested since last week, Communities Secretary Sajid Javid told Parliament late Monday afternoon, not one passed. That's up from 60 failures out of 60 on Sunday — with hundreds more towers yet to be examined.

Javid said the government will immediately expand testing to include schools, hospitals and private residential buildings — suggesting that the scope of the problem could be far beyond what was suspected even days ago.

The revelations came less than two weeks after London's 24-story Grenfell Tower was transformed overnight from a home for hundreds into a charred ruin — and a death trap for at least 79 people.

At the time, officials described it as a horrific anomaly — an "unprecedented" blaze, in the words of the city's fire commissioner, the likes of which had not been seen in modern Britain.

London police say a fire that killed at least 79 people originated with a Hotpoint fridge freezer. London police say a fire that killed at least 79 people originated with a Hotpoint fridge freezer. (Karla Adam, Sarah Parnass/The Washington Post)

(Karla Adam, Sarah Parnass/The Washington Post)

But after the dozens of failed safety inspections and the hurried evacuation of thousands of public-housing residents, Grenfell is looking like something else entirely: a dire warning.

Critics say that far from being an isolated case, the blaze is symptomatic of a loose regulatory system that allowed as many as 600 towers to be encased in a material that helps spread flames, rather than stop them.

And the problems may not end with residential high-rises.

"This is massive. This is only the tip of the iceberg," said Arnold Tarling, a British surveyor and fire-safety expert. Cladding is not just on high-rise apartments "but on schools, leisure centers, hospitals, office blocks, hotels — you name it."

He added: "My view is: Assume it doesn't work."

[London police confirm deadly high-rise fire began in an apartment fridge]

For the cash-strapped local councils that manage the public-housing buildings — and for the tens of thousands of residents who live in them — the dismal test results have brought an agonizing choice: evacuate without a plan for where people should go next, or allow them to stay and risk another fire.

"Everyone is absolutely terrified," said Kathleen Hughes, who cares for her husband, who has Alzheimer's disease, on the seventh floor of a north London high-rise that is wrapped in cladding similar to the kind used at Grenfell. "There are a lot of children on that top floor. We have one staircase."

Her building has not been evacuated, and she said that despite her fears, she hopes it won't be. "I'm 75, for God's sake," she said. "I don't need all of this on top of what I got."

For the British government, rapidly growing evidence of the scale of the problem has brought a different kind of question, but one that's no less difficult: Why was a type of cladding that was long restricted on high-rises in the United States and continental Europe permitted to be used on towers in the United Kingdom?

The maker of the cladding tiles — the U.S.-based successor to metals giant Alcoa, which is now known as Arconic — said Monday that it is not allowing the product to be used on tall buildings worldwide.

"We believe this is the right decision because of the inconsistency of building codes across the world and issues that have arisen in the wake of the Grenfell Tower tragedy," the firm said in a statement.

The cladding — known as Reynobond PE — has sheets of aluminum surrounding a flammable plastic core. It's cheaper than a fire-resistant version, also sold by Arconic, that has metal in place of the plastic.

British investigators have said the Grenfell blaze began when a refrigerator in a fourth-floor apartment caught fire. The flames rapidly climbed the building's exterior, using the cladding and insulation as fuel. The building was engulfed in fire within minutes, and it burned for days.

The British government said last week that as many as 600 high-rise buildings have the cladding and need to be tested. But only a fraction have been, prompting the government to blame local authorities for the delays.

"I am concerned about the speed at which samples are being submitted," said Javid, the communities secretary. "I would urge all landlords to submit their samples immediately."

Javid said that private landlords should also send in samples for the government to test, and that hospitals and schools will be examined. Until Monday, the tests were focused exclusively on public housing.

The revelation that potentially dangerous materials were so widely used has triggered recriminations, especially given that the dangers had been known.

[After a tragedy many saw as preventable, London fire survivors vent their anger]

As recently as May, the Association of British Insurers warned the government about the risks posed by flammable cladding, particularly the potential for it "to cause fire to spread upwards uncontrollably."

Investigators have said they are considering manslaughter charges, although they have not said whom they would charge.

John McDonnell, a senior figure in the opposition Labour Party, has said Grenfell's victims "were murdered by political decisions that were taken over recent decades."

Karen Buck, another Labour lawmaker, called the failed fire-safety tests evidence that what started at Grenfell is "turning into a national emergency."

"The tragedy of Grenfell Tower exposes the overstretched state of social housing, especially in London," Buck, who used to represent the area where Grenfell is located, wrote in a piece for the Guardian newspaper.

The crunch in local housing budgets and space has not only left communities with potentially hazardous buildings. It also has complicated decision-making over what to do with residents who live in them, and who may need to be housed elsewhere while the dangerous cladding is removed.

The north London council of Camden decided late Friday to remove 4,000 residents from four buildings that failed cladding and other fire-safety tests.

"The Grenfell fire changes everything — we need to do everything we can to keep residents safe," Georgia Gould, Camden's council leader, said in announcing the move.

But Camden — which is offering residents the equivalent of up to \$250 a night to stay in hotels — has been the exception. In the vast majority of cases where buildings have failed their tests, residents are staying in place.

As soon as Charlie Lawrence saw news of the Grenfell fire, he had a

feeling that his building was covered in the same plastic tiling. "I had a gut instinct," he said.

What's most important from where the world meets Washington

scaffolding goes up to take the cladding down.

desperate act by a mother who was engulfed in smoke.

His instinct was correct: The cladding on his building in the north London neighborhood of Islington failed the test.

For Lawrence, an unemployed 20-year-old with a 19-month-old son, the predicament has inspired dark thoughts about what happened at Grenfell — particularly a baby who was thrown from a window in a last,

"You don't want to be thinking those kinds of things," he said, "especially if it can be stopped before it even happened."

But at least for now, he and his neighbors are staying put while

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Today's WorldView

THE WALL STREET JOURNAL.

Jason Douglas in London and Valentina Pop in Brussels

4-5 minutes

June 26, 2017 1:03 p.m. ET

The European Union's chief Brexit negotiator called on the U.K. to show "more ambition" in protecting the rights of EU citizens following the U.K.'s departure from the bloc after London laid out detailed proposals on the issue.

The proposals, which come just over a year after the U.K. referendum vote to leave the EU, would give EU citizens living in the U.K. as long as two years after Brexit to seek permission to stay indefinitely in the country.

London is hoping for an early success in Brexit negotiations with the EU on the rights of the more than three million EU nationals in Britain and the more than one million U.K. nationals living in the union's 27 other member states.

Prime Minister Theresa May

sketched out her plan at a meeting of EU leaders last Thursday, but it was met with a lukewarm reception.

Presenting more detailed proposals to Parliament, Mrs. May described her plan as "fair and serious" and stressed that EU citizens in the U.K. are an integral part of British society.

After Monday's more detailed statement, Michel Barnier, the EU's chief Brexit negotiator, called for "more ambition" from the U.K.

"EU goal on #citizensrights: same level of protection as in EU law. More ambition, clarity and guarantees needed than in today's UK position," Mr. Barnier tweeted.

The U.K. government said in a 24-page paper that EU nationals will be able to apply for permanent "settled status" in the U.K. for themselves and their families if they have lived in the U.K. for five years or more before a specified cutoff date yet to be agreed with the EU.

The U.K. said the cutoff date will be no earlier than March 29, when it formally notified the EU of Britain's intention to leave, and no later than

withdrawal itself, expected around March 2019.

The U.K. said EU citizens will have as long as two years following Brexit to apply for residency. Settled status will confer on EU nationals the same rights as British citizens in areas including health care, education, employment and social-security benefits, the paper said.

Temporary residency will be available to EU citizens who arrived less than five years before the cutoff date and to those who arrive during the two-year grace period following Brexit, the government said.

The proposals are broadly in line with the EU's position on citizens' rights, but some specific areas of disagreement remain.

EU officials said they remained concerned that the U.K. said the agreement would only be enforceable in U.K. law and there would be no role for the European Court of Justice, the EU's top court, in protecting citizens' rights. They said the U.K. Parliament is free to

make or unmake laws and therefore guarantees could be undone later.

The U.K. said however it would "be ready to make commitments in the Withdrawal Agreement which will have the status of international law."

Guy Verhofstadt, the European Parliament's point man on Brexit, said on Monday that while he welcomed the U.K. proposal, "a number of limitations remain worrisome and will have to be carefully assessed."

"The European Parliament will act to protect the rights of EU citizens in the U.K. and defend the integrity of EU law, including the Charter of Fundamental Rights and its enforcement framework," he said, in reference to the ECJ.

Write to Jason Douglas at jason.douglas@wsj.com and Valentina Pop at valentina.pop@wsj.com

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Editorial : Europe's Banking Union Fails Its Latest Test

by The Editors
More stories by

The Editors

4-5 minutes

The new owner has something to celebrate; taxpayers, not so much.

Photographer: Alessia Pierdomenico/Bloomberg

The European Commission's decision to let Italy spend up to 17 billion euros (\$19 billion) to clean up the mess left by two failed banks is bad news -- and not just for Italy's taxpayers. It's also a setback for the euro zone's putative banking union, and for the European Union's efforts to supervise anti-competitive state aid.

Over the weekend, the Italian government wound down Banca Popolare di Vicenza and Veneto Banca, two regional lenders struggling under the weight of non-

performing loans. Intesa Sanpaolo, a rival, bought the banks' good assets for one euro, and was promised another 4.8 billion euros in state aid to deal with restructuring costs and bolster its capital ratio. Italy's taxpayers get to keep the bad loans, which could end up costing them another 12 billion euros (though the government believes it will be much less).

The deal makes a mockery of the EU's plan for banking union, designed during the sovereign debt crisis to ensure all member states deal with bank failures the same way. The Single Resolution Board -- whose purpose is to take the politically difficult decision of whether to close a bank out of the hands of governments -- chose not to intervene. Italy's government then chose not to impose losses on senior creditors, as the EU's rules would have required, but to provide a taxpayer bailout instead.

Strictly speaking, all this is legal. The SRB can choose to step back if it believes a bank is not significant for financial stability. Italy's bankruptcy rules don't require senior creditors to be bailed-in. And the commission was within its rights to rule that the state aid was lawful, on the grounds that it will lessen any damage to the regional economy.

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

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Lawful it may be; good policy it certainly is not. The outcome seriously undermines the credibility of the banking union project, leaving great uncertainty about the rules that will prevail next time. In addition, Italy's government, the European Central Bank and the SRB all took way too long to deal with the banks in question, compounding the eventual cost to taxpayers. And the commission has

allowed Intesa to benefit from a huge public subsidy, which will put the bank in a stronger competitive position.

Earlier this month, the euro zone handled the resolution of Popular -- a failing Spanish bank -- quickly, smoothly and without cost to taxpayers. That notable achievement has been substantially undone by this latest maneuver. Europe's banking union has taken a big step back.

--Editors: Ferdinando Giugliano, Clive Crook

To contact the senior editor responsible for Bloomberg View's editorials: David Shipley at davidshipley@bloomberg.net

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EU Hits Google With Record \$2.7 Billion Antitrust Fine

Calamur
2-3 minutes

The European Commission has fined Google a record \$2.7 billion for the way it promotes its own shopping service over those of its rivals, and ordered the tech giant to change the way it shows the results or face further fines.

"What Google has done is illegal under EU antitrust rules," Margrethe Vestager, the European Union's Competition Commissioner, said in

**NATIONAL
REVIEW
ONLINE**

Dougherty : Europe & Immigration – Changing Attitudes

6-8 minutes

The migration crisis that has been central to the European political drama since 2014 is rapidly changing. You can see signs of change everywhere, from subtle intensifications of bureaucratic language to an increasing frankness about what the migration crisis has done to Europe's nations and societies. It also shows up in the numbers. The overall rate of migration into Europe is starting to decline, but the number of migrants who are dying in their attempt is going up. But you can see it most of all in the willingness of European leaders to tell the truth.

Just in the past ten days, you can see a shift. European Council president Donald Tusk admitted that most of the people coming in have no right to do so: "In most of the cases, and that is actually the case on the central Mediterranean route, we're talking clearly and manifestly about economic migrants." He added, "They get to Europe illegally, they do not have any documents which would allow them to enter the European soil." In other words, these primarily aren't refugees fleeing war, they're economic migrants, who are coming in to countries along the southern Mediterranean that already suffer massive unemployment.

The reality is sinking in within the member states as well. Aydan Ozoguz, the German commissioner for immigration, refugees, and integration, admitted this week that three-quarters of the refugees Germany took in recently will still be unemployed in five years.

a statement. "It has denied other companies the chance to compete on their merits and to innovate, and most importantly it has denied European consumers the benefits of competition, genuine choice and innovation."

Google in a statement said it "respectfully disagree[s]" with the ruling and will review it "as we consider an appeal."

The EC said it was up to Google to decide how it would change its search results related to shopping. But if the company fails to comply, it will be ordered to pay 5 percent of Alphabet's daily worldwide

earnings—an amount equivalent to about \$14 million each day. Alphabet is Google's parent company.

The ruling is the latest run-in U.S. tech companies have had with the EU's regulators, who regularly target them for antitrust and tax-related issues. In August 2016, Vestager demanded that Apple repay \$14.5 billion in back taxes, calling the incentives the company received in Ireland "illegal tax benefits." Apple CEO Tim Cook called that ruling "maddening." Vestager is also investigating Amazon's tax practices in Europe and has fined Facebook

over its acquisition of WhatsApp. But it's Google that has felt the brunt of the rulings: Last year the EC announced it was investigating Google mobile-operating system Android on antitrust charges. It also being scrutinized for its advertising, which the bloc says violates its rules.

The EC's moves have prompted criticism that European regulators are deliberately targeting U.S. tech companies. The bloc's regulators reject the accusation. The companies, too, have denied any wrongdoing.

Just a year ago, pundits were holding out that Europe would find economic salvation in the "warm bodies" crossing the Mediterranean. It was an argument that never made sense, given the millions of unemployed but educated youth already in the European Union. Instead of a new round of guest workers, Germany has added hundreds of thousands of new dependents on the state, most with few job skills and no language preparation. The latter problem now taxes police departments, which have to find Pashto translators to investigate crimes such as the murder of Muslims for apostasy.

For years, Australia's government had told the EU that they would have to look at Australia's model for successful border enforcement. EU officials dismissed this, often with criticism of Australia's approach. But earlier this year, just as Australian prime minister Tony Abbott had predicted, EU officials came to Australia for help.

On Friday, the European Union member states agreed to restrict visas for foreign countries that refuse to take back their own nationals who do not qualify as refugees.

Germany's deal with Turkey, along with the enforcement position of Viktor Orban's Hungary (which Germany still pretends to deplore) has mostly closed the land route into Europe through the Middle East – but now the Libyan coast is the main source of migration. The EU's President Tusk described a 26 percent rise in the number of migrants arriving in Italy from Europe over the Mediterranean.

But it may finally be dawning on Europe's elites that their attempts to

rescue people at sea are endangering migrants as often as saving them. Migrants hoping for a European rescue are put on inflatable rafts (or worse) and launched off the coast of Tripoli. They make about one-sixth of the journey toward Sicily, and sometimes even less. Once they cross out of Libyan waters they enter what is commonly known as the "Search and Rescue" Zone or just "SAR Zone." They then signal their distress and get European rides the rest of the way — or they collapse and capsize and the migrants drown. Over the weekend, the Irish navy, and its ship *LE Eithne*, took more than 700 migrants. The composition tells you the nature of the migration: a score of children, some pregnant women... and over 500 adult males.

The problem is that by running this ferry service, Europeans have created an ugly industry in Libya. The slave trade and human-smuggling enterprises are now among the most important private-sector businesses in the chaotic post-Gaddafi Libya, which is ruled by two rival governments and several other militias and gangs. This is a brutal business, and the stories from it are terrifying. According to the *Daily Telegraph*, a young Gambian migrant told the International Organization for Migration that he witnessed a sick friend of his buried alive in one of the sordid migrant encampments in Libya, because he "wouldn't have survived anyway." If a migrant in Libya is thought to have relatives with money, he is often sold in a human market to gangs that will torture him to extract the cash from his family.

These stories are starting to shock the European conscience just as the photos of drowning migrants shocked it two years ago.

There's an increasing frankness about what the migration crisis has done to Europe.

This doesn't mean an end to migration in Europe. Yet another migration route seems to be opening between Morocco and Spain, even as Europe gets a handle on the previous routes. The millions who have come into Europe since 2014 will now become resources to enable their families and friends and others to make their own, less dangerous, entrance into Europe. And there will still be continued pressure on European countries to open up and share their wealth with the booming populations in Africa, and the war-weary nationals of the Middle East. There will be more potential waves of immigration coming, and more debates about whether Europe can and should seek to avoid them.

But right now Europe's grand experiment in humanitarianism has delivered some results that can be judged. They are the proliferation of human-trafficking gangs in Libya, thousands dying needlessly chasing after Europe's grand invitation, terrorist attacks across Europe linked to the migration routes, stress on the Schengen zone, and the rise of a populist backlash that powered Brexit and alternative parties all over Europe. Seeing all this, European leaders are at least open to change. Things that cannot continue going as they are, don't.

INTERNATIONAL



The World Is Even Less Stable Than It Looks

Paul McLeary |
50 mins ago

15-19 minutes

I'm normally leery of the pervasive threat inflation that tends to dominate discussions of foreign policy. Because the United States is so strong and in such a favorable geopolitical location, pundits and policymakers have to pretend the sky is falling to justify bigger military budgets and convince the public to keep meddling in distant lands. And whether the threat is falling dominos, "creeping Sharia," the "axis of evil," or even "violent extremism," the actual threat these faraway dangers pose is usually exaggerated.

Right now, however, we're at a moment when I think genuine concern is warranted. This is not to say that we're on the brink of a major war, let alone a global clash of great powers. But flammable material is accumulating and it is hard to have high confidence in the political leadership in several key countries (including here in the United States). We would all do well to take stock of the global order: Is the world more secure than it was a year ago? Specifically, is the risk of war increasing or decreasing? Is the danger of a serious economic crisis higher or lower? Are the institutional arrangements and norms that help smooth and resolve conflicts of interest and enhance the prospects for international cooperation more or less robust than they were in June 2016?

With apologies to the late Sergio Leone, I'd group recent global developments under three headings: the good, the bad, and the ugly.

The Good

Before descending into fatalistic depression — we'll get to that soon enough — let's start with the upside. Despite all the worrisome headlines and a recent slight uptick, the level of conflict between human beings is still at historic lows, and the likelihood that you will die a violent death is vastly lower than it was at nearly all other moments in human history. Nor have the number of low-level conflicts increased significantly over the past year or so, even if one takes the deteriorating situation in the Middle East into account. Although the

Islamic State and other terrorist groups have been able to direct or inspire terrorist attacks in more places, the actual risk from terrorism remain relatively low outside active conflict zones such as Syria or Iraq, especially when compared with more prosaic and familiar hazards. Even now, the odds that a European or American will be harmed in a terrorist attack are vanishingly small.

Such encouraging trends are no guarantee of continued tranquility, of course, and one could even argue that complacency could make a spiral into war more likely. But we should still be grateful the world is more peaceful than it was in earlier eras and try to draw the right lessons from that observation. At a minimum, the major powers haven't fought each other directly for over 70 years, and making sure that continues to be the case remains a critical task.

There are other encouraging straws in the wind as well. For the moment, voters in France, the Netherlands, and Austria have rejected the xenophobic nationalism of politicians like Geert Wilders and Marine Le Pen, and instead embraced the more inclusive and forward-looking visions of leaders like Emmanuel Macron. The Islamic State's self-proclaimed "caliphate" is now headed for the dustbin of history, and while this won't eliminate the problem of violent extremism, it is a useful step forward. The peace agreement ending Colombia's long civil war is holding — at least so far — and the war in Ukraine has settled down into a mostly frozen conflict that seems unlikely to escalate. Moreover, Russia's continued efforts to manipulate or influence domestic politics in nearby democracies may be backfiring, while Russia's own long-term power potential continues to decline and popular protests there are increasing. The EU is in its fifth straight year of economic recovery, despite of the uncertainties surrounding the Brexit process, and European, American, and Japanese publics are increasingly upbeat about economic issues. And (fingers crossed), so far U.S. President Donald Trump hasn't done much to trigger a trade war (though he still might). I wouldn't say the glass is half-full, but at least it's not completely empty.

The Bad

That's the good news. If you're looking for things to worry about, alas, one doesn't have to look far.

In Asia, North Korea's nuclear and missile capabilities in defiance of global opinion (surprise, surprise), and Trump's naive hope that China would ignore its own interests and somehow persuade Pyongyang to do what Trump wanted has been exposed as the pipe dream it always was. But this leaves the United States and its Asian allies with no attractive options, and only the "least-bad" choice of reengaging with a country that just killed a U.S. citizen over an alleged purloined poster. Islamist movements appear to be gaining strength in Indonesia and threatening that country's prior atmosphere of tolerance, and the Philippine government's wars on drugs and terrorism are wreaking a fearsome human cost with little to show for it. And Trump's bromance with Chinese President Xi Jinping has done nothing to slow Beijing's efforts to alter the territorial status quo in the South China Sea. All things considered, it's hard to see conditions in Asia as safer now than they were a year ago.

The same gloomy conclusion applies to the Middle East, only more so. The Islamic State may soon be a thing of the past — at least in terms of holding territory — but the exceedingly complex, multifaceted, and interrelated conflicts in Yemen, Syria/Iraq, and between Qatar and Saudi Arabia create much more potential for trouble than was present back in 2016. The impending defeat of the Islamic State has intensified its opponents' efforts to control its former territory, with outside powers ramping up their involvement while diplomatic efforts languish. U.S. military involvement has risen steadily — with scant input from Congress or the American public — and U.S. aircraft recently shot down Iranian drones and a Syrian fighter plane. The latter act prompted Moscow to issue a direct warning against further U.S. attacks and to suspend the communications channel created to minimize the risk of an inadvertent clash between U.S. and Russian forces. And to make matters worse, an emboldened Saudi Arabia is continuing its brutal military campaign in Yemen while simultaneously trying to force neighboring Qatar to silence *Al Jazeera*, sever its contacts with

Iran, and basically accept Saudi predominance. Maybe you can see a silver lining in all these developments, but I can't. The worst case for the United States would be involvement in another big Middle East war arising "from sheer incompetence and incoherence rather than by design," as Jim Lobe and Giulia McDonnell Nieto del Rio put it.

Meanwhile, it's "désà vu all over again" in Afghanistan, with the United States about to reverse Barack Obama's drawdown and send more troops back into an unwinnable war. Exactly why this step is in America's national interest remains unclear, and at least nobody is trying to pretend that this decision (which Trump has delegated to Secretary of Defense James Mattis) is going to produce anything that might be termed "victory." Instead, in a disturbing echo of the Indochina war, the United States is operating a new version of the "stalemate machine," doing just enough to not lose.

We know we can't win; at this point we can't break even, yet neither Democrats nor Republicans will let us out of the game.

We know we can't win; at this point we can't break even, yet neither Democrats nor Republicans will let us out of the game.

Last but not least, the institutional underpinnings of the present international system continue to fray. The importance of such institutions is sometimes exaggerated, but even hard-nosed realists understand that strong institutions can facilitate cooperation among like-minded states and lend greater predictability to important international relationships. NATO is intact but weaker than it was a year ago, and doubts about the U.S. role in Asia have been rising following Trump's renunciation of the Trans-Pacific Partnership and his erratic responses to events in Korea and the Philippines. Instead of being able to count on help from close allies in most circumstances, today the United States faces a Germany whose leader wants Europe to "chart its own course," and a Canada whose foreign minister says "International relationships that had seemed immutable for 70 years are being called into question," adding that America's decisions are forcing Canada "to set our own clear and sovereign course." Such

sentiments are not a sign of the apocalypse, but they do not herald easier ties between the United States and its most important neighbors and allies.

The Ugly

These developments would be worrisome enough if we had a surplus of gifted and farsighted strategists at the helm of the world's major powers, the modern-day equivalents of Franklin Roosevelt, George Marshall, Konrad Adenauer, or Charles de Gaulle. Heck, at this point I'd take Maggie Thatcher, Zbigniew Brzezinski, James Baker, Jacques Chirac, and any number of past leaders who made some big mistakes but also got a number of big things right and did not enter public service largely either to fleece the public or to gratify their own egos.

What do we see instead? In the United Kingdom, two successive prime ministers have inexplicably committed remarkably maladroit acts of self-defenestration. The first was David Cameron, who ended his political career by pledging to hold a referendum on leaving the European Union (which he opposed) and then losing. The second is Theresa May, who called a snap election earlier this month that cost her party its Parliamentary majority. France has gone from the "bling-bling" of Nicolas Sarkozy to the hapless Francois Hollande and is now betting on the as-yet untried Macron. Italy hasn't had effective political leadership since — oh, I don't know, Garibaldi? Recep Erdogan in Turkey has proven to be extremely adept at consolidating power and extremely bad at actually running the country, and there are equally depressing examples of incompetent leadership in Brazil, Afghanistan, Poland, and throughout the Middle East.

But the United States is determined not to be beaten in this competition

of political incompetence. If the consequences were not potentially so dire, the Trump administration's collective ineptitude would be a great source of comic relief. I'm not talking about controversial policy decisions about which reasonable people might disagree (such as the pros and cons of giving regional military commanders greater authority over operations in their respective areas), I'm talking about foreign-policy actions that seem inspired more by the Keystone Cops or Three Stooges than by Clausewitz, Kennan, or Sun Tzu.

Indeed, only six months into Trump's presidency, it's becoming hard to keep track of all the squirm-inducing moments. There was the brief sage of Trump's initial national security advisor, Mike Flynn, who lasted in his job a mere 25 days, or the appointment of self-styled "terrorism expert" Sebastian Gorka. There was Trump's bizarre speech at CIA headquarters the day after he was inaugurated, in which he rambled on about the crowd size at his inauguration ceremony and complained about media coverage. There was the "armada" he said was heading toward North Korea when it was actually steaming in the opposite direction, and his on-again, off-again, on-again attitude toward NATO and Article 5. There were the press releases, tweets, and announcements that misspelled the names of foreign leaders and the mini-crisis that erupted when Trump announced South Korea should pay for the THAAD missile-defense system that the U.S. had insisted be deployed there. (National Security Advisor H.R. McMaster had to call his South Korean counterpart and walk that one back, but the damage had already been done.) And then there's Trump's weird decision to gut the State Department (apparently with the full support of his secretary of state) and to assign sensitive diplomatic tasks to his son-in-law, despite the latter's

complete lack of foreign-policy experience and checkered business career. And don't even get me started about Trump & Co.'s handling of relations with Russia and Kushner's amateurish attempts to create some sort of backchannel to Moscow. With a record like this to defend, it's no wonder the White House is trying to keep the press and the public in the dark about what it's doing.

Why does any of this matter? Because the greatest achievements of U.S. foreign policy since World War II has been its ability, when it chose, to keep wars from breaking out or to end them quickly when they did occur. As I've explained before, a peaceful world is very much in the U.S. national interest, given how secure and well-off the United States already is. The combination of military strength and skilled diplomacy helped keep the peace in Europe and in much of Asia throughout the Cold War, and often (but not always) played a stabilizing role in the Middle East. It required not just credible military power, but also politicians who understood how the world worked and what the interests of others were, had a clear sense of America's own interests, and were sufficiently consistent that others could count on them to do what they had promised.

By contrast, America's biggest foreign-policy failures occurred when U.S. leaders started wars on our own (Iraq, 2003), escalated them for no good reason (Vietnam, 1965), or turned a blind eye to simmering conflicts and missed opportunities for peace (Korea in 1950 and the Middle East in 1966-67, 1971-72, and 1982). And many of these errors arose from impulsive and ignorant leaders who knew relatively little about the situations they were trying to manage.

Today, the United States isn't disengaging from world affairs or adopting a new and well-thought out grand strategy, such as offshore balancing, but it is hardly acting as a clear or consistent defender of peace and the status quo. On the contrary, Washington is still trying to determine the future fate of Afghanistan, still hoping for regime change in several countries it doesn't like, encouraging its proxies in the Middle East to escalate their local quarrels, and using increasing levels of military power to try to solve problems — such as terrorism and insurgency — whose roots are essentially political. The United States has pretty much abandoned its role as a potential mediator in lots of potential hotspots, and it would be naive to expect all of these conflicts will simmer down on their own.

If the past 25 years have taught us anything, it is that few foreign-policy problems can be solved simply by blowing things up.

If the past 25 years have taught us anything, it is that few foreign-policy problems can be solved simply by blowing things up. The United States is still unsurpassed at that sort of thing, but the real challenge is devising political solutions to conflicts once the guns have fallen silent. We've been singularly bad at this in recent decades, and Trump's disdain for diplomacy and efforts to gut the State Department will just impair us even more.

The result is looking like the worst of both worlds: The United States is still engaged in most of the world's trouble spots, but the ship of state is now being steered by an inexperienced skipper lacking accurate charts, an able crew, or even a clear destination. I don't know about you, but that situation doesn't make me feel safer, either.

THE WALL STREET JOURNAL

U.S. Sees Signs Syria Is Prepping Another Chemical Attack

Felicia Schwartz
4-5 minutes

White House press secretary Sean Spicer said the Syrian government is undertaking activities similar to those it made before conducting a chemical-weapons attack in April in Idlib province that killed more than 80 people.

U.S. forces later fired some 60 Tomahawk missiles at a Syrian air base that was linked to the attack. Those strikes took place as President Donald Trump was hosting Chinese President Xi Jinping in Florida. The U.S. response was widely welcomed by lawmakers.

"The United States has identified potential preparations for another chemical weapons attack by the Assad regime that would likely result in the mass murder of civilians, including innocent children," Mr. Spicer said in a statement late Monday.

He said the U.S. is engaged in Syria to eliminate Islamic State but warned that if Syrian President Bashar al-Assad conducts another attack using chemical weapons, "he and his military will pay a heavy price."

Trump administration officials have signaled since the April strike that

the U.S. would be willing to take more military action in response to further chemical-weapons use.

Since the attack, the U.S. has had a series of confrontations with pro-regime forces in Syria that have made American forces increasingly at risk of direct confrontation with Mr. Assad and his allies from Russia and Iran.

Last week, an American jet fighter shot down an Iranian-made armed drone after it flew toward U.S.-led coalition troops in southern Syria. The drone's downing was the latest of several episodes in recent weeks in which the U.S. brought down pro-

Updated June 27, 2017 8:13 a.m. ET

WASHINGTON—The Trump administration on Monday said that it had detected what may be preparations by the Syrian government for a chemical-weapons attack and warned that the country's ruler and military would "pay a heavy price" if they carried out a strike.

regime aircraft viewed as threats to coalition forces and to those Syrian fighters that the U.S. is backing in the fight against Islamic State.

Secretary of State Rex Tillerson and Russia's Foreign Minister Sergei Lavrov spoke on the phone Monday to discuss the Syria conflict, including the need for a cease-fire and steps to deter the use of chemical agents, according to Russia's Foreign Ministry. The U.S. didn't release its own description of the call.

The New York Times

Syria Will 'Pay a Heavy Price' for Another Chemical Attack, White House Says

Michael D. Shear, Helene Cooper and Eric Schmitt

5-6 minutes

A man was helped to a hospital after a suspected toxic gas attack in northern Syria in April. The White House warned Monday that President Bashar al-Assad appeared to be preparing another such attack. Mohamed Al-Bakour/Agence France-Presse — Getty Images

WASHINGTON — The White House said late Monday that President Bashar al-Assad of Syria appeared to be preparing another chemical weapons attack, and warned that he would "pay a heavy price" if one took place.

Several military officials were caught off guard by the statement from President Trump's press secretary, but it was unclear how closely held the intelligence regarding a potential chemical attack was.

In the statement, the White House said that Mr. Assad's preparations appeared similar to the ones Western intelligence officials believe the Syrian government made before a chemical attack in April that killed dozens of Syrians, including children.

"As we have previously stated, the United States is in Syria to eliminate

The U.S. and Russia reached a deal in 2013 on an international agreement that aimed to strip the Assad regime of its declared stockpiles of chemical weapons, but the deal has failed to cripple its ability to make or use them. The deal at the time averted a campaign of U.S. airstrikes that the Obama administration was preparing.

But, in 2015, U.S. intelligence agencies concluded that despite the efforts of the international body overseeing the agreement—the

the Islamic State of Iraq and Syria," the statement said. "If, however, Mr. Assad conducts another mass murder attack using chemical weapons, he and his military will pay a heavy price."

While the White House's motivation in releasing the highly unusual statement is uncertain, it is possible that Mr. Trump or his advisers decided a public warning to Mr. Assad might deter another chemical strike.

Any intelligence gathered by the United States or its allies — notably Israel, which keeps a robust watch on unconventional weapons in the Middle East — would by nature be classified. But any American president has absolute power to declassify anything he chooses to release.

Brian Hale, a spokesman for the director of national intelligence, referred questions to the White House. Marc Raimondi, a spokesman for the White House's National Security Council, said, "We are letting the statement speak for itself."

Nikki R. Haley, the American ambassador to the United Nations, made clear that the United States was taking the latest threat seriously. "Any further attacks done to the people of Syria will be blamed on Assad, but also on Russia & Iran who support him killing his own people," she tweeted late Monday.

Organization for the Prohibition of Chemical Weapons—Mr. Assad hadn't given up his chemical weapons, U.S. officials said.

The U.S. ambassador to the United Nations, Nikki Haley, said on Twitter on Monday that Russia and Iran would bear responsibility for future attacks by the Syrian government. U.S. officials have accused Russia of covering up the April 4 attack.

"Any further attacks done to the people of Syria will be blamed on

Assad, but also on Russia & Iran who support him killing his own people," she said.

Write to Felicia Schwartz at Felicia.Schwartz@wsj.com

Appeared in the June 27, 2017, print edition as 'U.S. Sees Signs Syria Preparing For Attack.'

Russia and Iran are both allied with the Assad government. Last week, after the United States downed a Syrian warplane that had dropped bombs near American-supported fighters battling the Islamic State, Russia's Defense Ministry threatened to target any aircraft flown by the United States or its allies west of the Euphrates River valley.

Such a threat can cause an unintended showdown as competing forces converge on ungoverned areas of Syria. The collision has effectively created a war within a war.

Daryl G. Kimball, the executive director of the Arms Control Association, said that he had not heard of Syrian moves toward more chemical attacks, but that he suspected intelligence reports had prompted the statement. Rocket attacks using sarin gas, as in the April strikes, require considerable preparation that American intelligence might well have picked up, he said.

Mr. Kimball added that he did not recall such a precise, pre-emptive public warning against a foreign government regarding banned weapons "in at least the last 20 years." More often, such matters are handled in private diplomatic or intelligence communications, he said.

Monday's message appeared designed to set the stage for another possible military strike. After Mr. Assad allegedly used chemical weapons in April, the American military fired 59 Tomahawk cruise missiles at the air base his government had used to launch the attack.

The use of chemical weapons by the Syrian government has long been part of the clash between Mr. Assad and the United States.

In 2013, President Barack Obama's intelligence agencies concluded with "high confidence" that Mr. Assad had carried out a devastating chemical attack that killed hundreds of Syrians, despite having been warned by Mr. Obama against crossing a "red line" by using chemical weapons.

But Mr. Obama stopped just short of ordering a military strike, instead opting to work with the Russian government to identify and destroy Mr. Assad's cache of chemical weapons. Critics argued that the president's failure to enforce his own "red line" had emboldened Mr. Assad.

They also warned that all of the chemical weapons could not be found and destroyed. Within two months of Mr. Trump's taking office, images of another chemical attack spurred him to take the action that Mr. Obama had rejected.

THE WALL STREET JOURNAL

Exiled by War, Syrians in Turkey Take Cruise Down Memory Lane

Nour Malas

5-6 minutes

June 26, 2017 7:47 a.m. ET

ISTANBUL—On the glittering Bosphorus strait, a boat outfitted to look like an old Damascus neighborhood offers Syrians living in Turkey a wistful taste of home.

To the beat of drums and folkloric processions, Syrians looking to escape from the grim reality of their nation's war glide down memory lane on the "Layali Shameyah," or "Syrian Nights" cruise in Istanbul.

But there are implicit ground rules. Politics are checked at the dock, with no talk of rebels or the regime, say the Syrian entertainers on board, who hail from different

political backgrounds. And out of sensitivity to the war's tragedy, the organizers strain to curb the debauchery common to Istanbul's party boat scene.

"This was a challenge for us," said Ahmad Abdul Ghani, the business's 33-year old founder. "We put our heads together and decided the best way would be to focus on

folklore and culture, rather than a party environment."

Mr. Abdul Ghani began the cruise in 2015 with dual aims: to bring Syrians who fled the war to Turkey together and to draw other Arabs enchanted by Syria's cultural traditions but now also locked out of the country.

The boat's advertising slogan for the Muslim holy month of Ramadan

is “our joy is in being together,” a jingle that rhymes in Arabic. The cruise has been packed throughout the holy period, which ended on Saturday, due to a discounted price and the lure of traditional entertainment.

On a recent evening, Syrian entertainers dressed in baggy shirwal pants roamed the boat twirling their theatrically upturned mustaches, a throwback to when such facial hair was the measure of a man’s dignity and authority.

A hakawati, or storyteller, regaled the audience with morality tales, evoking traditional wise men of Damascus. A three-piece band sang classic Arabic tunes as guests dined on specialties from Homs and Aleppo.

Ruba Khawaja, who left Damascus two years ago with her three school age children, snapped selfies. “This is a way to remember the good old days,” she said. “It’s important to get out of our pain.”

The cruise isn’t without controversy.

Another family from Damascus watched the entertainment disapprovingly, without standing or clapping, saying Ramadan was a time of reflection and austerity.

When a woman began to shimmy slowly around her dance partner, her hips moving in an Arabic belly dance, the entertainment troupe gathered quickly around them with their drums and swords, pushing the duo into a group procession.

“When something starts to go overboard, we rush in there with our swords to say: “Remember, this is a cultural performance,”” said Mohammad Rifai, procession chief, chuckling.

On a Facebook page for the cruise, some Syrians called it expensive and inappropriate. One Turkish user wrote that the Syrians should “go home.”

Half of Syria’s prewar population of 23 million has been displaced since 2011 when the war began, and around 3 million now live in Turkey, more than in any other nation. Turkey has proudly embraced them,

even as both sides acknowledge mutual weariness in a war with no end in sight.

The cruise staff tout their accomplishments. The business gives jobs to dozens of Syrians who had otherwise struggled to find work in Turkey, they say, and it has reaffirmed apolitical cultural pride among exiled Syrians.

“It caught people’s attention,” Mr. Abdul Ghani said, who left Damascus in 2013. It shows that “Syrians aren’t just here as refugees.”

The four-hour cruise’s regulars, who can afford the normal \$50-per person fee, include Arab tourists and wealthier Syrian families. There also is a younger crowd for which the evening is a splurge, but also a catharsis.

Young Syrians like Mohammed Fadel, who left his family behind in Aleppo, stomp and sing the night away. Mr. Fadel initially struggled to learn Turkish and settle in when he arrived four years ago, but now

works two jobs, as a paralegal and a translator.

“I miss my country. I miss my family,” he said, catching his breath and mopping his brow after dancing with friends from his hometown. “But at the same time, I am happy we are gathered together here.”

As the cruise neared Turkish land, the mood swung from upbeat to somber at the last performance: a scene drawn from a popular Arabic television series set in a fictional Damascus neighborhood between the world wars.

Dramatized by a melancholy Syrian melody, the scene involved a dispute over gold between two neighbors—the moral evoking peace and forgiveness.

“This is how the people of Syria were raised: on truthfulness, loyalty, forgiveness, and generosity,” the lead actor proclaimed to claps and tears from the audience.

Write to Nour Malas at nour.malas@wsj.com

THE WALL STREET JOURNAL

Pletka : Iran Won in Lebanon. What About Iraq?

Danielle Pletka
5-7 minutes

June 26, 2017 7:05 p.m. ET

Beirut

In the violent Middle East, Lebanon looks like a miracle. A mix of Christians and Sunni and Shiite Muslims who have fought a brutal civil war, and have weathered aggressive outside interference, Lebanon is still puttering along as a semifunctioning democracy. To encourage and strengthen the Lebanese Armed Forces, the U.S. has given more than \$1 billion over the last decade.

But looks are deceiving. In Lebanon, despite America’s help, Iran has won.

Step back a few decades and remember the pitched battles of the Lebanese civil war—Sunni vs. Shiite vs. Christian. The kidnapping and killing of countless innocents; the murder of the CIA station chief in Beirut; and finally, the end of the civil war with the 1989 Taif Accords, a rare Arab-led initiative, which dictated terms that enabled weary Lebanese fighters to lay down their arms.

The many militias that had grown up as appendages of the Lebanese political process were disarmed, the army was successfully deconfessionalized, militias melted into the Lebanese Armed Forces,

Shiites were reassigned to Sunni units, Christians to Shiite ones and so on. The fighting ground to a halt. Israelis, and eventually even Syrian occupying forces, withdrew.

Except for Hezbollah. This Shiite militia was created by Iran’s Islamic Revolutionary Guard Corps to be an Iranian proxy, nominally “resisting” Israel, but in fact resisting the normal governance of Lebanon by its people. After more than 30 years, Hezbollah is still in Lebanon, sacrificing lives, resisting democracy, dictating foreign policy and corrupting the true Lebanese Armed Forces. For the past six years, it has been fighting assiduously on behalf of Iran and the Assad regime in Syria.

On a recent visit, my first after a long lapse, I found a palpable change in tone: Lebanese officials once privately noted their hostility to Hezbollah and Iranian interference. No longer. Now Hezbollah is something to accommodate, part of the “fabric of Lebanese life,” as one senior military official put it. Since the 2006 war with Israel, Hezbollah has rearmed dramatically, with an estimated 150,000 missiles, including short-range Katyusha-type rockets and thousands of medium-range missiles capable of striking Tel Aviv. Thousands of Lebanese have either volunteered or been forced to fight in Syria for Bashar al Assad.

Even the Lebanese Armed Forces, long considered a pillar of the state,

is now cozy with Hezbollah, as the latter’s leader, Hassan Nasrallah, affirmed in a recent speech. And contrary to the oft-expressed hopes of senior U.S. officials, not only has the army failed to limit Hezbollah’s reach within Lebanon, but reports suggest it may also have shared weaponry. A recent Hezbollah military parade in Syria showed U.S.-sourced M113 armored personnel carriers of the kind supplied by Washington to Beirut. Senior Lebanese officials insist the APCs “could have come from anywhere.”

Iran is pursuing a similar strategy in Iraq. As in Lebanon, irregular militias have been part of the political and military scene since Saddam Hussein ruled. But since the withdrawal of U.S. forces in 2011 and the rise of Islamic State, some militias have proved useful to the Iraqi government—and to the U.S.—in taking on ISIS, much as Hezbollah proved itself useful to Beirut in ousting Israel from southern Lebanon.

The Baghdad government has accommodated the so-called Hashd al Shaabi, or Popular Mobilization Forces; and Grand Ayatollah Ali Sistani, one of Shiite Islam’s greatest eminences, has blessed their fight. The Iraqi legislature has approved the PMF’s nominal incorporation into the Iraqi army, even as Iraqi government officials acknowledge that 30% of the PMF are under Iranian government

control. Once the fight with ISIS ends, what will happen to these militias?

There’s already a hint of how the future of the PMF will play out: Like Hezbollah, some units are fighting at Iran’s behest in Syria on behalf of Mr. Assad. Iraqi leaders, as their Lebanese counterparts once did, are fretting about the future of Iran’s proxies. The Iraqis rightly see the militias as instrumental in the counter-ISIS battle, and also rightly judge them a danger when that fight is done. Perhaps, with the help of Ayatollah Sistani, some of the PMF will be legitimately incorporated into the Iraqi army—subsidized by U.S. taxpayers to the tune of \$715 million in the last fiscal year alone—and answerable in its chain of command. But Iraqi leaders know full well that some will not.

That is why more must be done soon to ensure that the Iraqi leadership understands, as the Lebanese government does not, that the continued existence of Iranian proxy forces within and working alongside its military is incompatible with long-term assistance from the United States.

Congress can predicate assistance and weapons transfers on clear assurances that Iran and its proxies are not indirect beneficiaries. If it does not, Iraq, like Lebanon before it and others to come, will become yet another pawn in Iran’s Middle East game.



Senator Puts Hold on Arms Sales to Persian Gulf Nations Over Qatar Feud

Eric Schmitt

6-8 minutes

Senator Bob Corker, a Tennessee Republican who heads the Foreign Relations Committee. Doug Mills/The New York Times

WASHINGTON — The Republican chairman of the Senate Foreign Relations Committee said on Monday that he was putting a hold on any future American arms sales to a group of Persian Gulf nations in an apparent move to help resolve a bitter dispute between one of those countries, Qatar, and several of its Arab neighbors.

In an unusual letter to Secretary of State Rex W. Tillerson, Senator Bob Corker, a Tennessee Republican who heads the committee, said he would refuse to consent to weapons sales to the gulf nations until the feuding countries worked to end one of the worst political crises among Arab gulf states in years.

The nations, including Saudi Arabia, Bahrain and the United Arab Emirates, cut economic, diplomatic and travel ties with Qatar this month, accusing it of supporting terrorism.

Since then, Mr. Tillerson has tried to help mediate the deepening crisis but has signaled increasing exasperation with the Saudi-led group, first for enforcing a two-week embargo against Qatar without giving the tiny country any specific ways to resolve a dispute, and then on Sunday, after demands were issued, saying that many of them "will be very difficult for Qatar to meet."

Mr. Tillerson's efforts seemed to put him at odds with President Trump about who is to blame. Mr. Trump has openly sided with the Saudis, first on Twitter, then at a news conference.

Coming a day after Mr. Tillerson's latest statement, Mr. Corker's letter seemed intended to bolster the secretary's diplomatic efforts to settle the disagreement. Major arms sales are subject to preliminary approval by the chairman and ranking member of the Senate and House committees overseeing foreign affairs before a statutory, 30-day congressional review process begins.

The United States has billions of dollars in proposed sales of fighter jets, warships, precision-guided bombs and other arms now pending to gulf nations in various stages of development and approval. Holding up approval of such highly sought-after weapons amounts to a shot across the bow of the affected countries, particularly Saudi Arabia, which agreed in principle to \$110 billion in arms sales during Mr. Trump's visit to the kingdom in May.

The hold does not apply to pending sales that have already been formally notified to Congress, such as the sale of \$510 million in precision-guided munitions to Saudi Arabia, an aide to Mr. Corker said. It also does not apply to defensive, nonlethal assistance, including training.

Mr. Tillerson and Mr. Corker have forged a strong working relationship in the secretary's first few months on the job, and congressional and administration officials said the senator's letter was a high-profile example of how Congress could use the arms-sales notification

process to influence policy. Typically, though, lawmakers do not wield this leverage quite this publicly, particularly on such a highly charged issue.

Mr. Corker notified Mr. Tillerson in advance of his intentions to send him the letter and make it public, an aide to Mr. Corker said.

"Before we provide any further clearances during the informal review period on sales of lethal military equipment," Mr. Corker said in his letter, "we need a better understanding of the path to resolve the current dispute and reunify" the Gulf Cooperation Council, a regional group that also includes Bahrain, Kuwait, Oman, Saudi Arabia and the United Arab Emirates.

Qatar has historically played a maverick role in the Gulf Cooperation Council. It maintains ties with a range of Islamist groups throughout the region, relationships that other countries have found useful when negotiating hostage releases but have complained about when those groups challenge their rule.

Mr. Corker also said that "recent disputes among the G.C.C. countries only serve to hurt efforts to fight ISIS and counter Iran."

Senator Benjamin L. Cardin of Maryland, the committee's ranking Democrat, concurred. "I share Senator Corker's concern that the current G.C.C. dispute distracts from our shared, most pressing security challenges — defeating ISIS and pushing back on Iran," Mr. Cardin said in a statement.

Saudi Arabia and three other Arab countries, including Egypt, that

recently cut diplomatic ties with Qatar issued a harsh list of demands on Friday, insisting that the wealthy but tiny gulf nation shut down the news network Al Jazeera, abandon ties with Islamist organizations and provide detailed information about its funding for political dissidents.

The demands, presented to Qatar through mediators from Kuwait, risked pulling other powers deeper into the rift by calling on Qatar to close a Turkish military base and to downgrade its ties with Iran — an onerous task given that Iran and Qatar share a large gas field that provides much of Qatar's wealth.

The dispute also threatens myriad American diplomatic and security priorities in the gulf. The United States has more than 11,000 troops in Qatar at a major air base and at the forward headquarters of the Pentagon's Central Command.

Before joining the administration, Mr. Tillerson was the chief executive of Exxon Mobil, which has extensive dealings with Qatar. Mr. Tillerson has been sympathetic to the Qataris in the dispute, initially calling on Saudi Arabia and its allies to unconditionally lift the embargo on Qatar while negotiations continued.

In his statement on Sunday, Mr. Tillerson urged the countries to tone down the talk and start negotiating. "We believe our allies and partners are stronger when they are working together towards one goal, which we all agree is stopping terrorism and countering extremism," he said. "Each country involved has something to contribute to that effort. A lowering of rhetoric would also help ease the tension."



Editorial : A Senator Takes Charge in the Qatar Mess

by The Editors
More stories by

The Editors

4-5 minutes

Bridging the Gulf?

Some three weeks after Saudi Arabia and other Gulf states cut off trade and diplomatic ties with Qatar, an American official finally seems to have a plan to resolve the standoff. Unsurprisingly, it is not someone from the Trump administration.

Senator Bob Corker of Tennessee intends to block all U.S. arms sales to Gulf Cooperation Council nations until they end the dispute (and as chairman of Senate Foreign Relations Committee, he has the authority). This includes the \$110 billion in sales agreements announced during President Donald Trump's visit to Riyadh last month.

Foreign policy is ordinarily more under the purview of the executive than the legislative branch. But on this dispute, which harms both U.S. interests and regional stability,

Trump and Secretary of State Rex Tillerson have been on different pages since the beginning -- with Trump tweeting firm support for the Saudis and Tillerson urging conciliation.

It's true that Qatar, seeking to punch above its weight in foreign affairs, has made some mistakes -- such as giving refuge to leaders of Hamas and not doing enough to crack down on Qatari money flowing to terrorists. But the Saudi-led coalition's list of 13 demands from Qatar go too far and risk too

much. Qatar is a vital member of the U.S.-led war against the Islamic State and home to the largest U.S. airbase in the Middle East. The Arab monarchies will also need Qatar to develop a mutual defense against Iran, thus relieving the U.S. of the burden of protecting them.

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It's not a coincidence that the move against Qatar came shortly before

the shakeup in the Saudi royal household that made 31-year-old prince Mohammed bin Salman the virtual ruler of the kingdom. The new heir is determined to counter Iranian efforts to spread influence throughout the region. He has the right idea. But isolating Qatar, which

shares a natural gas field with the Iranians and thus has to stay on speaking terms with Tehran, only destabilizes the Arab world.

Corker wasn't specific as to what it would take for him to lift his ban, and resolving all the disputes between Qatar and its neighbors

will take months or years. Until such talks are progressing, however, it makes sense to put this arms deal on hold.

--Editors: Tobin Harshaw, Michael Newman

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THE WALL STREET JOURNAL.

Germany Warns Turks Not to Bring Security Officers Who Face U.S. Warrants

Andrea Thomas

3 minutes

June 26, 2017 11:20 a.m. ET

BERLIN—Germany warned Turkey that members of President Recep Tayyip Erdogan's security detail facing arrest warrants in the U.S. wouldn't be welcomed during next month's Group of 20 summit, a lawmaker said on Monday.

The move appears aimed at averting a fresh deterioration in the already tense relationship between Turkey and Germany, two North Atlantic Treaty Organization allies that have clashed repeatedly in

recent months.

Police in Washington issued arrest warrants for a dozen members of the Turkish president's security team two weeks ago after they allegedly became involved in an assault on demonstrators outside the Turkish embassy at the margins of Mr. Erdogan's visit to the U.S.

"We were told the German government had informed Turkey that these are persona non grata," a German lawmaker said, adding that the information had been provided by the government at a closed-door meeting of the lower chamber's home affairs committee last Wednesday.

Turkish officials did not immediately respond to requests for comment during the Eid al-Fitr holiday.

Germany is hosting the Group of 20 largest economies summit on July 7 and 8 in Hamburg. Security officials said last week they were concerned Kurdish sympathizers of the banned PKK separatist group might join protests.

The German foreign ministry declined to comment on the government's message but said it expected Mr. Erdogan not to travel with members of his security entourage who face U.S. arrest warrants.

The security detail of traveling dignitaries don't traditionally enjoy

diplomatic immunity in Germany, making an arrest likely should they try to enter, according to security officials.

Earlier in June, Germany said it would move its 250 troops engaged in the campaign against Islamic State from its base in Turkey to Jordan after Ankara refused to allow German lawmakers access. Tensions also rose after several high-ranking military officers fearing persecution were granted asylum in Germany following last July's coup attempt.

— Ned Levin in Istanbul contributed to this article.

THE WALL STREET JOURNAL.

Trump and Indian Prime Minister Modi Move to Bridge Divisions

Carol E. Lee and Eli Stokols

4-5 minutes

Updated June 26, 2017 7:36 p.m. ET

WASHINGTON—U.S. President Donald Trump and Indian Prime Minister Narendra Modi said after their first meeting on Monday that they agreed to expand cooperation between their two countries on combating terrorism, stabilizing Afghanistan and overcoming differences on trade.

Mr. Trump said the U.S. and India are close to completing a natural-gas deal, though he quipped that it hadn't been signed yet because he is "trying to get the price up a little bit." He also called on India to remove barriers to U.S. exports to make way for "fair and reciprocal" trade between the two countries.

"The future of our partnership has never looked brighter," Mr. Trump said in a statement delivered standing alongside Mr. Modi in the Rose Garden at the White House.

Mr. Modi invited Mr. Trump to visit India with his

family and said his economic vision for his country is compatible with the president's campaign-slogan promise to "Make America Great Again." He said India's development is in America's interest.

"Be assured that in this joint journey of our two nations towards development, growth and prosperity, I will remain a driven, determined, and decisive partner."

As part of closer cooperation on terrorism, he said the U.S. and India will enhance intelligence sharing.

Mr. Trump also has yet to sign off on a policy toward Afghanistan and Pakistan. Mr. Modi stressed that India has "played an important role in rebuilding Afghanistan."

Mr. Trump also mentioned his concern about North Korea's nuclear weapons and missile programs, saying it represents a threat that "has to be dealt with and probably dealt with rapidly." He didn't elaborate. Mr. Trump in a Twitter message last week said that his plan to enlist China in pressuring North Korea to reverse course "has not worked out."

In advance of Mr. Modi's White House visit, the U.S. sanctioned

Mohammad Yusuf Shah, senior leader of a militant group that has used violence against Indian troops in the Kashmir region. India and Pakistan have been embroiled in a conflict for decades over Kashmir.

Mr. Trump briefly mentioned the importance of eliminating trade barriers that weigh on U.S. exports, but he didn't criticize the U.S. trade deficit with India in the same strong terms he has used toward other major economies.

U.S. merchandise imports from India are about twice the level of its exports to the South Asian country, resulting in a trade deficit of \$24.4 billion last year. U.S. officials say barriers to agricultural goods and India's policies on intellectual property weigh on American farmers and businesses.

The meeting on Monday took place amid differences between Messrs. Modi and Trump on issues such as trade, climate change and immigration. Mr. Trump withdrew the U.S. from a 2015 international climate accord, of which India is a signatory.

But the two men papered over their differences as they worked to

establish a rapport in discussions set over approximately four hours, including a private dinner at the White House. They hugged after their public statements.

After welcoming Mr. Modi, Mr. Trump said he had been reading about him and that India is doing well economically, for which he congratulated the prime minister. "It's a great honor to have Prime Minister Modi of India, who has been such a great prime minister," Mr. Trump said.

Mr. Modi said he was grateful for the visit and mentioned Mr. Trump's visit to India before he became president.

—William Mauldin contributed to this article.

Write to Carol E. Lee at carol.lee@wsj.com and Eli Stokols at eli.stokols@wsj.com

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The New York Times

South Korea Voices Support for U.S. Antimissile System

Choe Sang-Hun

5-6 minutes

An aerial view of a golf course where the United States deployed an antimissile system in Seongju, South Korea. The system, known as Thaad, has been a point of contention with South Korea's new president, Moon Jae-in. Ed Jones/Agence France-Presse — Getty Images

SEOUL, South Korea — South Korea's foreign minister indicated strongly on Monday that her government would honor an agreement to deploy an American missile-defense system despite protests and economic retaliation from China.

The deployment of the antimissile battery, known as Terminal High Altitude Area Defense, or Thaad, had been approved under Park Geun-hye, the South Korean president who was ousted on corruption charges in March.

But President Moon Jae-in, who replaced Ms. Park in a special election last month, has cast doubt on the deal.

And the fate of the missile battery, some of whose key components have already been installed in South Korea, has threatened to become a contentious topic when Mr. Moon meets with President Trump in Washington this week.

Since taking office, Mr. Moon has ordered his government to stop installing

additional components of the Thaad battery until it completes a domestic review, including an environmental assessment.

That move has provoked fears in Washington that Mr. Moon might be looking for an excuse to cancel the deal, even though he insisted that it did not mean that his government would reverse the decision made under Ms. Park.

On Monday, the South Korean foreign minister, Kang Kyung-wha, said the domestic review was to strengthen public support for the missile system by shoring up its political legitimacy. Calling the deployment "an alliance decision," she said South Korea would "continue to collaborate on the basis of mutual trust."

"My government has no intention to basically reverse the commitments made in the spirit of" the alliance, Ms. Kang said at a forum jointly organized by the South Korean daily JoongAng Ilbo and the Center for Strategic and International Studies, a think tank based in Washington.

A component of the antimissile system rising above the tree line in Seongju this month. The United States insists the system is necessary to guard against the growing ballistic missile threats from North Korea. Kim Hong-Ji/Reuters

The United States and Ms. Park's government had insisted that Thaad was necessary to guard against the growing ballistic missile threats from North Korea.

But China has vehemently criticized the Thaad deployment at its doorstep, calling it a threat to its own national security. In recent months, many South Korean brands have been boycotted in China in what was considered to be economic retaliation.

On the campaign trail, Mr. Moon expressed doubt that Ms. Park's decision was in the country's best interest. He also questioned whether Thaad would be effective in defending South Korea from the North's missiles.

As he and his conservative rivals have bickered over the system, it has become a crucial test of Mr. Moon's attitude toward the alliance with Washington.

Since his election, however, Mr. Moon has sought to dispel misgivings that his government would weaken that relationship, repeatedly emphasizing its importance. With North Korea's missile programs advancing, he has also vowed to bolster South Korea's defense.

Ms. Kang's remark on Monday was one of the clearest indications from Mr. Moon's government that it

would honor the Thaad deal for the sake of the alliance.

Two days earlier, thousands of demonstrators briefly encircled the American Embassy in central Seoul during a peaceful anti-Thaad march.

Ms. Kang also addressed another concern in Washington by saying that her government would not hurry to try to reopen a jointly run industrial complex in the North Korean city of Kaesong. South Korea closed the complex last year after the North's nuclear and long-range rocket tests.

During the election campaign, some aides to Mr. Moon had called for the reopening as part of Mr. Moon's program of fostering dialogue and exchanges with North Korea. But American politicians and former government officials feared that the reopening of Kaesong, which had been a key source of hard currency for Pyongyang, would undermine international efforts to squeeze its ability to raise cash.

"We will pursue this only under the right circumstances," Ms. Kang said. "It is something that can be pursued at a later stage when we are assured of progress in dealing with the North Korean nuclear and missile threats, and we will do so in closest consultations with the United States."

THE WALL STREET JOURNAL.

China's All-Seeing Surveillance State Is Reading Its Citizens' Faces (UNE)

Josh Chin and Liza Lin

13-17 minutes

SHENZHEN—Gan Liping pumped her bike across a busy street, racing to beat a crossing light before it turned red. She didn't make it. Immediately, her face popped up on two video screens above the street. "Jaywalkers will be captured using facial-recognition technology," the screens said.

Facial-recognition technology, once a specter of dystopian science fiction, is becoming a feature of daily life in China, where authorities are using it on streets, in subway stations, at airports and at border crossings in a vast experiment in social engineering. Their goal: to influence behavior and identify lawbreakers.

Ms. Gan, 31 years old, had been caught on camera crossing illegally here once before, allowing the system to match her two images. Text displayed on the crosswalk screens identified her as a repeat offender.

"I won't ever run a red light again," she said.

China is rushing to deploy new technologies to monitor its people in ways that would spook many in the U.S. and the West. Unfettered by privacy concerns or public debate, Beijing's authoritarian leaders are installing iris scanners at security checkpoints in troubled regions and using sophisticated software to monitor ramblings on social media. By 2020, the government hopes to implement a national "social credit" system that would assign every citizen a rating based on how they behave at work, in public venues and in their financial dealings.

China's technology companies are helping lead the way, scooping up unprecedented data on people's lives through their mobile phones and competing to develop and market surveillance systems for government use.

Facial-recognition technology is one of the most powerful new tools in the surveillance arsenal. Fueled by advances in artificial intelligence, these systems can measure key

aspects of a face, such as distance between the eyes and skin tone, then cross-reference them against huge databases of photographs collected by government agencies and businesses and shared on social media.

Other countries also have begun experimenting. In the U.S., the Federal Bureau of Investigation uses the technology to help identify criminal suspects, and the Department of Homeland Security is deploying it in airports to track when foreign visitors leave the country. Its use is expected to grow world-wide as a tool for law enforcement and personal identification, and U.S. companies are among those using it in pilot programs.

China, however, stands apart in harnessing facial recognition as a cudgel to influence behavior. The Chinese Ministry of Public Security—its national police force—and other agencies called in 2015 for the creation of an "omnipresent, completely connected, always on and fully controllable" nationwide video-surveillance network as a public-safety imperative. In a policy

statement, the agencies included "facial comparison" in a list of techniques to be used to improve surveillance networks.

"These security steps appear in American movies," said Xie Yanan of Megvii Technology Inc., a Chinese tech startup that sells facial-recognition systems to private and public enterprises. "But in China, it's actually being used in real life."

Chinese government agencies including the public-security ministry, the central planning agency and the ministry in charge of information technology either declined to comment or didn't return calls.

On Chongming Island near Shanghai, a new running course has been outfitted with a facial-recognition system to ensure runners don't take shortcuts through the foliage during timed competitions, said Chen Zhixian, a manager at the company that built the track.

Jogger Chen Xiang, 42, said he was aware of the system but wondered

why it was needed. "Running is an activity, and we're just out here to have fun," he said.

Facial-recognition cameras are being used in China for routine activities such as gaining entrance to a workplace, withdrawing cash from an ATM and unlocking a smartphone. A KFC restaurant in Beijing is scanning customer faces, then making menu suggestions based on gender and age estimates. One popular park in the capital has deployed it to fight toilet-paper theft in restrooms, using face-scanning dispensers that limit each person to one 2-foot length of paper every nine minutes.

A world where everyone can be tracked by their face wherever they go is still a long way off, and will require much better algorithms and cameras than currently exist, said Anil Jain, the head of Michigan State University's Biometrics Research Group.

China is moving in that direction, abetted by a vast surveillance network. Industry researcher IHS Markit Ltd. estimates China has 176 million surveillance cameras in public and private hands, and it forecasts the nation will install about 450 million new ones by 2020. The U.S., by comparison, has about 50 million.

It isn't known how many cameras in China are enabled for facial recognition, but any high-definition camera can potentially be linked to such a system.

The sprawling camera network has spawned anxiety in some quarters. One night in early May, government cameras in the coastal city of Wenzhou kept watch as dozens of people filed into a Protestant church for an emergency meeting called following the installation of the cameras near and inside the church compound the previous month.

The growing appeal of religion in China has unsettled the country's officially atheist leadership. Three years ago, authorities began removing crosses from many places of worship in Wenzhou, and last year China's State Administration of Religious Affairs ordered major churches, mosques and temples to be "fully covered" by surveillance cameras. Cameras were installed at the Wenzhou church holding the meeting and at others, including some trained on pews.

In an interview before the meeting, the pastor said local authorities told him the video feed went to police headquarters. "I assume the cameras have facial recognition. Why wouldn't they?" he said. "I have Communist Party members and prominent business owners in

my congregation. If they think their faces are being scanned when they walk through the door on Sunday, of course they're going to stop coming."

Police authorities in Wenzhou declined to comment on church surveillance.

Elsewhere in China, an outspoken government critic said in an interview he had been tracked and detained by police while traveling in southwestern China despite taking steps to cloak his whereabouts by using an anonymous SIM card in his phone and traveling on a fake ID.

Police refused to say how they found him, he said, but in previous encounters authorities told him they had facial-recognition systems. Local police once even bragged about their ability to track him, he said. "They told me that whenever I walked through certain intersections, a computer system would alert them to my location," he said.

Facial recognition works by breaking down a face into a series of measurements and using them to create a template that can then be compared with others in a database.

Early systems could only compare two photos taken in relatively ideal conditions. The application of artificial-intelligence techniques such as deep learning, which uses software to mimic the way neurons in the brain process information, has revolutionized the technology. Algorithms can now pick out and manipulate patterns on their own, making it easier to detect and identify faces turned to the side, smiling or frowning, or weathered by age.

China has access to immense amounts of data—photos uploaded by the country's more than 700 million internet users and a centralized image database of citizens, all of whom must have a government-issued photo ID by age 16.

This year, China set up a government-funded laboratory to push the development of facial recognition and other forms of artificial intelligence. China hopes to become a leading innovator in those technologies.

"The things we've been able to do in this space surprise me, and I've been in this business a long time," said Lin Yuanqing, a computer scientist for internet search company Baidu Inc. and a member of the team overseeing the lab.

The Chinese startups say their best customers are local police bureaus,

which are under pressure from central authorities to identify and squelch threats to social stability.

At a recent security-equipment conference in Chengdu, displays of facial-recognition systems were popular. At one booth, a promotional video by Intellifusion Technology Co. showed a police officer directing a squadron of facial-recognition drones for crowd surveillance. "That's a little ways into the future," said Huang Fan, a marketer for Intellifusion, the company that installed the jaywalking-detection system in Shenzhen.

The company's current systems can track an individual's movements inside a building through facial recognition and alert authorities if that person attempts to access restricted floors.

In May, facial-recognition systems were used at the Belt and Road Forum hosted by President Xi Jinping in Beijing to promote old Silk Road trade routes. At entrances to the event, paramilitary police stood next to face-detecting video consoles linked to cameras trained on the doors.

"It's really advanced," a guard said as the system snapped images of two people who had approached the screening area. In an instant, the screen pulled up their names, photos and profiles, verifying them as invited guests.

Several dozen Chinese police agencies are either testing or using facial-recognition systems, according to facial-recognition firms and state media reports.

In Chongqing, two systems identified 69 criminal suspects during the first 40 days they were in use last year, according to Xu Li, a co-founder of SenseTime Group Ltd., which provided the systems. Mr. Xu showed a letter from the local police crediting it with the detention of 14 suspects.

During the Group of 20 international summit in Hangzhou last fall, Megvii and other firms worked with local police. Surveillance cameras scanned the faces of pedestrians, which an artificial intelligence system checked against a list of criminal and terror suspects. Police were alerted each time the system found a match, leading to the detentions of more than 60 people over a month, according to tallies from the companies.

Police in Hangzhou, Chongqing and several other cities identified by companies and state media as using facial recognition didn't respond to requests for comment.

For 33-year-old Fu Gui, the technology proved life-changing in a positive way. He was 6 years old when he was kidnapped from his village in Chongqing and sold to a family in faraway Fujian province, according to Fu Guangyou, his aunt and caretaker at the time he was abducted. Years later, he provided his photo at age 10 to a nonprofit group that reunites stolen children with their families. His aunt says she contacted the same group a few years later, submitting a photo of Mr. Fu at age 4.

Early this year, the nonprofit got access to Baidu's facial-recognition program, which matched Mr. Fu's photos.

"I immediately called his father," Ms. Fu recalled. "Fu Gui's dad didn't even believe me. He had given up hope." Mr. Fu, who was reunited with his family, declined to comment.

Developers of facial-recognition systems also pitch them as an alternative to keys, credit cards and ID cards.

China Merchants Bank allows customers to scan their faces instead of using bank cards to withdraw money from about 1,000 ATMs. A mobile affiliate of Ping An Bank uses facial recognition to authenticate a borrower or investor's identity over the internet.

"We won't need to remember another password," said Xu Bing, a SenseTime co-founder and vice president. "All you'll need to do to unlock your phone or log in to an account is scan your face."

SenseTime's Beijing showroom gives an idea of where things are heading. In the lobby, a face-detecting console estimates for visitors their age, gender, mood, attractiveness and closest celebrity resemblance, while also serving up ads based on those characteristics. The company also displayed a system it says can use camera networks to track a person's movements around a neighborhood.

Still to come: a police car with a roof-mounted camera able to scan in all directions at once and identify wanted lawbreakers. Researchers at the University of Electronic Science and Technology of China in Sichuan province have developed a working prototype. "We've tested it at up to 120 kilometers per hour," said Yin Guangqiang, head of the university's security-technology lab.

A national facial-recognition system is still years away, but state-run media reports that Chinese police departments already are making arrests using the technology. At least five cities are using it to identify jaywalkers.

Jaywalkers in China are typically subject to small fines, but authorities in the southwestern city of Fuzhou are using facial recognition to identify offenders. Authorities have published the names of jaywalkers in local media

and have said they notified the employers of certain offenders.

Jiang Hui, a young Fuzhou resident, recently rode his electric scooter through a red light at a crosswalk. He said discouraging jaywalking is reasonable. "But sending the

information to your company?" he said. "What are they going to do with it?"

—Kersten Zhang in Beijing and Junya Qian in Shanghai contributed to this article.

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the Atlantic

Will China Save the American Economy?

Alana Semuels

22-28 minutes

MORAINE, Ohio—For years, Donjian Xu and her husband operated a sleepy Chinese restaurant in this industrial suburb of Dayton, cooking up American-style Chinese food like sweet-and-sour chicken and beef with broccoli for customers who would stop in on their lunch break.

Then, three years ago, a new crowd started coming into Dragon China: Chinese natives who missed home and were craving something different than the hamburgers and pasta that everybody seemed to eat in Ohio. The Chinese, mostly businessmen, would come in and order things not on the menu—noodle soup with vegetables and fish balls, for example. Sometimes, Cao Dewang, a famous self-made billionaire from China, would come in and sit at the corner table with his deputies, and "that's when we [would] need to make something really special," Xu told me.

Dewang visits this Ohio town because it's the home of the American factory he built for his Chinese company, Fuyao Glass. He spent \$700 million in 2014 to rehabilitate a shuttered General Motors plant, where Fuyao now makes automotive glass that it sells to U.S. automakers. Fuyao employs 2,000, the majority of whom are Americans. "This place could be the next General Motors if it's done right," an employee named Larry Yates, who worked at the GM plant for 25 years, told me. "I want to see them do well and succeed." Hundreds of Chinese executives work here, too, and, having brought their families from China, are buying homes and cars and enrolling their children in local schools.

Chinese investors are investing heavily in the United States. In 2016, Chinese businesses spent \$46 billion on foreign direct investment in the United States, a threefold increase from the \$15 billion they spent in 2015, according to the Rhodium Group, a research firm that analyzes global investment trends. Chinese-owned firms now support more than 140,000 jobs nationwide, nine times as many as in 2009.

President Trump has made reversing or resisting globalization a cornerstone of his economic policies and ideology, issuing executive orders directing the executive branch to hire and buy American, pulling out of trade deals such as the Trans Pacific Partnership, and promising to renegotiate NAFTA. But much of the economic activity being generated around the country comes because of globalization, not in spite of it. Globalization helped bolster economies around the world, including China's, and is now allowing a class of wealthy people and companies from those economies to invest in the United States, creating jobs in depressed regions like Ohio.

Foreign companies are responsible for many of the jobs in states like Ohio today—they employ 18.5 percent of manufacturing workers in the U.S., according to the Brookings Institution. Other foreign companies creating jobs in Ohio include the Danish firm Xellia Pharmaceuticals and the German auto-parts supplier Borgers. "People typically think of trade or globalization as a one-way street in which they're on the losing end—if you listen to the president talk about this, you would come away thinking that we've only lost in this equation," Joseph Parilla, a fellow at the Brookings Institution, told me. "Nobody has talked about the infusion of capital that comes from foreign companies that are supporting a ton of jobs in the U.S."

But the increased investment comes with some growing pains. Chinese executives told me it's hard to get American factories to become as efficient as Chinese ones, partly because Americans work fewer hours than Chinese workers do—on average, the Chinese work 2,200 hours a year, compared to 1,790 for the United States. They also say there are not enough qualified workers in manufacturing in Ohio, and that workers are unreliable.

Workers have their own complaints, as *The New York Times* reported recently. Workers say that Chinese companies operating in the U.S. don't adhere to American labor standards and working hours. The workers complain about poor treatment, and one worker recently sued Fuyao on behalf of herself and others, alleging that the company

didn't pay them overtime. Another man alleges that Fuyao exposed him to chemicals that gave him blisters and made it difficult to breathe. The workers also say that Fuyao isn't investing in training them, which is leading to low productivity at the factory. Fuyao disagreed with the criticisms, telling me that the Occupational Safety and Health Administration (OSHA) had investigated the claim of chemical use and found no violations, and that its policies on overtime and paid leave are straightforward.

Dayton—and Ohio—needs plants like Fuyao to succeed. New-business creation is faltering in America, with the number of new start-ups at 40-year lows. Foreign investment could be a key to creating new jobs for Americans. The question is whether foreign companies will continue to find America worth their investment.

In the cavernous white lobby of the Fuyao factory on a recent morning, a handful of people in suits sat under a Chinese flag, filling out job applications. They were seeking open positions at Fuyao, which had just announced that it was raising its hourly wage by \$2 in order to attract new workers and decrease turnover. That drew in people like William Oliver, 31, who has an associate's degree and was applying for a position on third shift (11 p.m. to 7 a.m.) so he could work at Fuyao while he attended school. Once he heard about the raise, he told me, "I knew I had to come down here."

Not long ago, companies were decamping for overseas locations like China and Mexico, where they could save millions in labor costs. In 2004, factory workers in China made \$4.35 an hour, compared to \$17.54 that the average factory worker made in the U.S., according to the Boston Consulting Group.

But labor expenses are rising in China. According to the Chinese Business Climate Survey, put out by the American Chamber of Commerce in China and the consulting firm Bain & Company, businesses there cite rising labor costs as their top problem. That's in part because worker organizations are gaining strength, and strikes

and labor disputes are becoming more common. Today, Chinese manufacturing wages adjusted for productivity are \$12.47 an hour, compared to \$22.32 in the United States, according to the Boston Consulting Group.

Workers inspect a pane at the Fuyao plant in Moraine (John Minchillo / AP)

Wages aren't the only costs in China that are rising. The price of electricity has increased 15 percent since 2010, and industrial land is becoming more expensive too. Taxes are high as well: Dewang, the head of Fuyao Glass, said in an interview late last year that he had moved his plant to the U.S. because China had the "world's highest taxes." (Actually, income taxes are higher in many Scandinavian countries than in China, and the corporate income-tax rate in China is 25 percent, which is lower than in the U.S.) "Apart from labor costs, everything else is cheaper in the U.S. than in China," he has said.

These factors alone would be enough reason to give companies pause about locating factories in China. But there are other reasons Chinese businessmen are looking outside of their own country for investment opportunities. There are so many cash-flush investors in China that there are fewer good opportunities to buy companies, and so people with money have fewer places to put it, said Eswar Prasad, a professor of trade policy at Cornell. Such investors might have once put their money into U.S. securities, but the rate of return is low, so they're turning their attention to buying foreign companies instead. (Most Chinese investment abroad comes in the form of outright purchases of other companies; the Fuyao factory stands out in that the company decided to build its own products there, rather than acquire an existing business.)

Related Story

Is China Becoming the World's Most Likeable Superpower?

Many investors also want to diversify their portfolio by investing

in companies outside of China, said Daniel Rosen, a founding partner at the Rhodium Group. And investors are worried about a weaker Chinese currency in the future, so they are making big bets while their money still goes relatively far. It's not just in the U.S.: Chinese outbound foreign direct investment reached \$200 billion in 2016, with deals in Europe, Africa, and South America as well. In total, the Rhodium Group calculates that China invested \$46 billion in the U.S. in 2016, almost three times as much as the U.S. invested in China that year.

"The U.S. is seeing the same pattern of increasing Chinese investment that is taking place worldwide," Rosen told me. Often, investors buy existing companies overseas simply as an investment—96 percent of Chinese investments in the U.S. in 2016 were in acquisitions, according to the Rhodium Group. The Chinese manufacturer Haier bought General Electric's appliance division last year, for instance, and a consortium of Chinese investors bought the printer company Lexmark. Plants like Fuyao are different. They are what Rhodium calls "greenfield" investments, which means the company builds a new plant from the ground up and hires new people. These have represented a small share of Chinese investments in advanced economies like the United States, but are "likely to continue rising significantly in the year ahead," Rosen said.

With greenfield investments, Chinese companies often bring their own executives to come in and run operations. I met one such person, a 35-year-old named Wei Liu, at the Dragon China restaurant on a recent weekday, where he had stopped for a quick lunch. Liu had brought his wife and daughter to Dayton, a town he'd never heard of, to improve his career prospects, he told me. "If I work here, I will have more chances," he said, as he waited for his food. He likes living in America, though he says Dayton isn't as diverse as other American cities he's been to, and he doesn't love the winters.

Fuyao made a greenfield investment in Ohio because it wanted to be closer to its customers, which are auto companies building cars in the United States, Jeff Liu, the president of Fuyao Glass America, told me. The U.S. auto market is currently booming, setting a new record for sales last year, and Fuyao wants to become a bigger part of the distribution chain. Shipping glass from China was expensive and dicey, as the product would sometimes break, which in

turn made the process more costly, he said.

Fuyao spent around \$700 million to get the plant up and running, bringing hundreds of Chinese workers to Dayton to set up the plant and supervise new hires. Now, it's turning its attention to hiring more Americans, and to becoming a "truly American company," Liu told me. "We want to be the best employer in this town," he said.

To be the best employer in town, though, Fuyao needs to be able to stay open, and so far, the factory isn't making money. Fuyao has been working on its factory since 2014, but it still isn't running at full capacity. Fuyao Glass America posted a \$41 million loss in 2016, the company said in its annual report.

Some of the losses were because the company had to spend so much money on equipment to get the plant running, Liu told me. But productivity per worker in Moraine is 10 to 15 percent lower than it is in China, he said, adding "We have a big gap to catch up to China, but we'll get there."

Chinese companies also struggle to operate in an environment where there are a network of safety regulations that do not exist to the same extent in China. "It's an example of the challenges of working on a more advanced economy where workers have much broader protections and safety standards and rights than is normal back in China," says Rosen, of the Rhodium Group.

The company says it can't find enough skilled people to fill open positions, Liu said, even when it raised the wages by \$2 an hour. Most workers aren't trained in automotive glass in the Dayton area, and many aren't accustomed to working in the heat of the factory. Turnover has been high at the Fuyao plant so far, with workers quitting, and managers complain that American workers often show up late and take too much time off.

Upper-level management is mostly Chinese, and two American managers were fired from the plant in November, according to *The New York Times*. Dewang, the Fuyao chairman, told the *Times* that the workers "didn't do their jobs but squandered my money." (One of the managers has since filed a lawsuit alleging that he was fired because he wasn't Chinese.) Dewang responded to the *Times* story in Chinese national media, calling it "false," and saying that the company invests in technology to make the plant safer, that it trains its

workers, and that most of the management and administration is American. Fuyao told me that no one has been terminated based on their nationality, and that only one of the two managers was terminated; the other left on his own accord.

Cao Dewang, the head Fuyao, cuts a ribbon at the Moraine plant (John Minchillo / AP)

U.S. workers have a different work ethic than Chinese workers do, said Daniel Curran, a former president of the University of Dayton who serves on Fuyao's board. "Many of the Chinese workers are used to longer hours. It's not uncommon to see over time," he said. "U.S. workers are used to essentially an eight-hour day. Not all American workers want to be working on the weekends. That's part of our culture."

It's possible that the U.S. workforce is not as skilled at manufacturing as it used to be. Many of the people who worked in manufacturing in the 1980s, before the wave of offshoring, have since retired, and younger people don't have as much experience in factories. The economist Tyler Cowen has argued that Americans are more averse to adjusting to change than they were in the past, which potentially makes them less likely to take jobs in new fields. "You could say we got a little spoiled" as America created better and better jobs, Cowen told me. While Cowen sees this as a negative, it's the result of a positive development: American workers are no longer interested in low-paying, backbreaking jobs like picking crops, for example. "People are not willing to become a wreck by age 60 or 65 anymore," he said. But it makes life more difficult for employers who don't want to (or can't) pay workers more or improve the jobs that are available.

Cowen also pointed me to a study published last year in the *Journal of Hand Therapy* that indicates that today's workers might be physically weaker than American workers of the past, which would explain some of why it's harder to find good factory workers. Men younger than 30 have weaker hand grips than their counterparts in 1985 did, the study found. Grips might have gotten weaker because men are no longer accustomed to working in manufacturing or farming, but are instead prepared to sit at desks and work on computers.

For their part, workers say that Fuyao isn't as productive in the U.S. as it is in China because the jobs are dangerous and unpleasant, and because Chinese supervisors have trouble communicating with U.S.

workers. (Having the Google Translate app is a must for anyone who interacts with Chinese supervisors. "They understand English—they just can't communicate comfortably," one worker, Tim Jernigan told me. "So we pull out [Google Translate] and we start typing and they look over your shoulder, and that's how we communicate.") Additionally, U.S. labor standards prohibit some of the behavior that is commonplace in Chinese factories that may make them more efficient there. "There's two sets of safety standards at play here," said Yates, the Fuyao worker, who is 49 and thin. "I wouldn't want my worst enemy working here now."

For example, American and Chinese supervisors discipline American workers who fail to wear safety glasses, while Chinese supervisors frequently ignore the rules. Jernigan, who was among the first of the workers hired by Fuyao, told me some Chinese workers climb over equipment like furnaces without safety harnesses attached, which American workers wouldn't do. Chinese workers often don't use protective shields when they are supposed to. "They're just so used to doing it that way," he said.

I briefly visited the plant floor, where forklifts carried sheets of glass between blue and yellow machines. Numerous posters reminded workers to follow the "5 S's: Sort, Straighten, Shine, Standardize, and Sustain," which is a Japanese process for workplace organization. The whole plant was extremely hot—a result of the furnace that heats the glass—and there's not much ventilation. I saw many more machines on the plant floor than I saw people.

After OSHA visited Fuyao in eight separate inspections, it proposed \$226,937 in penalties. OSHA found machine-safety violations that potentially exposed workers to amputation, as well as electrical hazards, and a lack of personal protective equipment. It also said that the company failed to train workers about hazardous chemicals in use, and that it had unmarked exits. Fuyao settled with OSHA in March, agreeing to pay penalties of \$100,000, the government said.

Workers say safety hazards exist because Fuyao doesn't bother to invest in training workers. Another worker, a 57-year-old named Ronald Blake, said he had expected to get in-depth training once he was hired at Fuyao, even though he'd worked at a car plant previously for 13 years. But he has learned very little about how to do his job. "You have to be real persistent about asking questions, to get you to tell

you why they're doing what they're doing," he said, about learning on the plant floor. "I want to do things the right way."

Job applicants wait in Fuyao's lobby (Alana Semuels / The Atlantic)

There are other complaints: Fuyao recently changed its vacation policy so that people earn time off with every hour they work, rather than guaranteeing workers a certain number of days a year. It also changed the attendance policy so that people don't get the bonuses they once did for coming to work every day. "Every time I get close to reaching the maximum, they change it," another worker, Theodore Searcey, told me.

These types of complaints aren't uncommon among American workers who are employed by Chinese firms. A Chinese copper company set up a factory called Golden Dragon Precise Copper Tube Group in Alabama in 2014. The company had similar complaints about workers: the company's chairman told *The Washington Post* that the quality of the workers there "is not very good." The plant was, at first, unsafe, with oil leaks that made the ground slippery, and a lack of safety guards on machines, and so in December of 2014, the workers voted, 75 to 74, to form a union, according to Dan Flippo, the director of the United Steelworkers' District 9, which now represents Golden Dragon. "It was a sea change for a Chinese company to come in and start from scratch," he told me. "There are just cultural differences."

Foreign companies operating in the U.S. have long had to adjust to methods of doing

business here. In the 1980s, when Japanese firms first started making cars in the United States, the Japanese firms worried about a lack of American efficiency, with one Japanese senior politician saying that American workers were "too lazy" compared with those in Japan. American workers complained about not having enough input into the way the factory worked, according to Harley Shaiken, a professor at the University of California Berkeley. "There is clearly a learning curve when you're moving to a new place," he said.

Initial Japanese forays into the U.S. market had mixed results. Toyota launched its first major manufacturing investment in the U.S. in a joint venture with General Motors that was called NUMMI. Initially, the U.S. workers struggled to adapt to the Japanese "lean production" model, but over time, the collaboration began to work well, said Shaiken, who authored a white paper on Nummi in California for a state commission after the plant shut down during the recession.

The plant became one of the most productive in the country, and U.S. companies learned from Japan's manufacturing techniques. But one of the biggest reasons NUMMI worked was that U.S. workers were able to give input to Japanese managers about how they thought the factory should be run, Shaiken said. That made the workers more invested in the manufacturing process—and it made the manufacturing process better as well. Japanese automakers learned from this experience, Shaiken said—even when companies opened non-union plants, they established ways for workers to be involved in the production process.

Chinese companies have generally not yet made the effort to

incorporate U.S. workers into decision-making, Shaiken said. "They are saying the plant is not as productive, yet they are using techniques that almost assuredly will result in it not being productive," he said. "In effect, the Chinese are ignoring a quarter-century worth of extensive experience in manufacturing."

A worker at Fuyao, which is in a former GM property (John Minchillo / AP)

Workers at the Fuyao plant have an idea for how to fix some of these problems: They want to form a union. They say they want to have more input into the process of making automotive glass. That way, they can push back against unsafe orders, and can contribute to making the plant more efficient. Yates and other workers meet on Wednesdays after their shifts at a United Auto Workers (UAW) office a few blocks from the plant, which shares a building with a carpet-cleaning company. I met Yates and a few other workers there close to midnight, where they sat around a table and talked about how to get their message out to other Fuyao workers. "What it boils down to is that we don't have a say-so in any of this," Yates said. "If we had guidance from someone to show us how to do it right, like the UAW, this place would be an amazing place to work," he said.

Dan Flippo, of the United Steelworkers, said that his workers' relationship with their Chinese employers improved significantly after the union was formed. "Golden Dragon has been much more cooperative after we got the election behind us and a contract in place," he said. "We honestly have a decent relationship with them now."

The UAW doesn't yet have enough support to hold a vote at the Fuyao plant. A recent union meeting attracted just about 100 workers—the plant employs about 1,500 production workers. But forming a union isn't the only way that workers could get more of a voice at Fuyao. German car companies operating in the U.S. have supported the idea of "works councils," in which workers and management meet and discuss operations, for example. At NUMMI, the Japanese company, workers were expected to speak up whenever they saw a problem that prevented them from doing their jobs properly, according to John Shook, who is now an industrial anthropologist, but who then worked for Toyota.

All of the American workers I talked to said they wanted to Fuyao to succeed. They understand the value of having manufacturing jobs in today's economy, and that many communities would fight for a large plant of Fuyao's size. But they say Fuyao needs to better adjust to being in America. "Are they going to try to run this like it's in China, or like it's in America?" Jernigan, the worker, said. "Americans are used to doing it a certain way, and Chinese are used to doing it a certain way. We have to meet in between."

It could be difficult for Fuyao to make such wholesale changes to the way it does business, especially with continued pressures from China to turn a profit. But investors like Dewang need plants like Fuyao to be profitable, if they are going to make money in the United States. They still haven't figured out how to make the factory work. In the end, it may come down to understanding how to operate these American plants with Chinese characteristics. Listening to the American workers may be a start.

THE WALL STREET JOURNAL

Brazil President Michel Temer Is Charged With Corruption

Paul Kiernan and Paulo Trevisani

8-10 minutes

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BRASÍLIA—Brazil's top prosecutor filed criminal charges against President Michel Temer on Monday, marking a critical new phase for the corruption crackdown that has roiled Latin America's largest country for the past three years.

Attorney General Rodrigo Janot brought charges of corruption against Mr. Temer, alleging the leader took about \$150,000 in

bribes from the former chairman of meatpacking giant JBS SA, the world's biggest meatpacker.

According to former JBS Chairman Joesley Batista, Mr. Temer led a group of politicians that acted as a criminal syndicate, charging bribes in exchange for financing from state banks and favorable regulatory actions.

"The spurious practices aimed at serving private interests with voluminous public resources aren't restricted to those reported in the charges hereby presented," Mr. Janot wrote in his indictment, saying Mr. Temer "swindled" Brazil's citizens. "The criminal organization

didn't just operate in the recent past but remains in full activity today."

A representative for Mr. Temer declined to comment. Mr. Temer has previously denied any wrongdoing and has said he wouldn't step down from the presidency.

Two-thirds of Congress must vote to allow the case against Mr. Temer to go to a trial, which would occur before the country's Supreme Court. That sets the stage for a high-stakes showdown between Brazil's crusading law-enforcement apparatus and an entrenched political class at a time of growing tension between the two sides.

contributing to Brazil's deepest economic downturn in more than a century and leading to the impeachment of President Dilma Rousseff in 2016.

"So far, the confrontation of systemic corruption has basically been the work of law enforcement: police, prosecutors and judges, with strong support from civil society and public opinion," Sergio Moro, the judge spearheading Car Wash who is widely seen as a national hero, told *The Wall Street Journal*. "It needs to become part of the political agenda."

But with a second president in little more than a year teetering, some Brazilians are beginning to wonder if the costs of cleaning up corruption outweigh the benefits. Brazil's per capita economic output has contracted by some 11% since Car Wash began, forcing millions of layoffs.

The instability has been compounded by growing evidence of corruption's omnipresence in Brazilian politics.

In a videotaped testimony he gave as part of a plea deal earlier this year, Marcelo Odebrecht, the former chief executive of Latin America's largest construction company, said he was unaware of any politician managing to get elected without illegal cash. Undeclared contributions, he estimated, account for some three-fourths of all campaign money.

"Even if the guy says he didn't know, he still received money from his party that was [illegal]," Mr. Odebrecht testified.

But with a budget deficit in excess of 9% of gross domestic product, Brazil desperately needs to pass sweeping

reforms to avert a potential debt crisis, economists say. Mr. Temer, who is deeply unpopular with ordinary Brazilians but enjoys cozy relations with much of Congress, was seen a capable negotiator until the latest scandal erupted.

Growing numbers of politicians, and some members of the judiciary, have said Brazil should focus on fixing the economy under Mr. Temer, whose term ends in 2018. The president's governing coalition in Congress has remained largely intact even after the attorney general placed Mr. Temer under investigation in May.

Brazil's electoral court, known as the TSE, this month acquitted Mr. Temer on charges of receiving illicit campaign funds in the 2014 election, a case that could have forced him from office. To reach its ruling, the court tossed out evidence from Car Wash showing that the campaign had taken clandestine money from Mr. Odebrecht's firm.

"You can't replace a president every hour, even if you want to," TSE President Gilmar Mendes said as he cast the tiebreaking vote to absolve Mr. Temer.

That decision was roundly criticized. "TSE Ignores Proof," blared a headline in Rio's *O Globo* newspaper. Activists placed funeral wreaths outside the TSE's building in Brasilia.

But tellingly, street protests on the scale of those that shook Brazil in 2013 and 2016 didn't materialize. Nor were there major demonstrations following last month's release of a taped conversation in which Mr. Batista told Mr. Temer of his efforts to obstruct investigations into JBS and its parent company.

Prosecutors worry the public's apparent fatigue is giving politicians the cover they need to undermine Car Wash.

"Without the support of the population, Car Wash wouldn't have happened, and without the support of the population it will die sooner than it should," said Carlos Fernando dos Santos Lima, a prosecutor on the original task force, in an interview.

Mr. Lima, like many here, sees law enforcement as only part of the solution to Brazil's corruption problem. He says Congress should also seek to reduce the number of parties—currently around 35—to make politics less transactional. An electoral system that awards congressional seats to parties rather than individual candidates makes it possible for unpopular legislators to remain in office. Elected officials and cabinet members also enjoy special legal protections, such as a rule that they can only be tried in the Supreme Court for criminal offenses.

Instead of making its members more accountable to voters, Congress is working on a bill that would expose law-enforcement officials to lawsuits for "abuse of authority." Legislators have been talking openly of giving themselves amnesty for undeclared campaign cash. Mr. Temer's Brazilian Democratic Movement Party, or PMDB, is working behind the scenes to influence the choice of a new attorney general to succeed Mr. Janot when his term ends in September, according to one of the party's senators.

"We will vote the necessary reforms and purge the dictatorship of the prosecutors," said Darcisio Perondi, a PMDB congressman and staunch

ally of the president. "Temer is indispensable."

The stakes have risen since Mr. Batista's bombshell testimony shattered many politicians' complacent belief that Ms. Rousseff's government was a "sacrificial lamb to prosecutors" rather than a milestone in a probe seeking even deeper political change, said Chris Garman, a political analyst at Eurasia Group.

"They are seeing investigations as reaching a politically dangerous tipping point," Mr. Garman said, noting that PMDB politicians have been openly trying to discredit Car Wash in recent weeks.

Against that backdrop, some analysts say Mr. Janot is unlikely to secure the Supreme Court votes necessary to indict the president, who is cozy with much of the political class.

But Mr. Temer's dismal popularity—7% of Brazilians approve of his government, according to a poll released Saturday by Datafolha—sets limits on how far legislators are willing to stick their necks out for him.

"A lot of deputies are very nervous about their reelection possibilities," said David Fleischer, a political-science professor at the University of Brasilia.

—Luciana Magalhaes contributed to this article.

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**The
New York
Times**

Canada's Secret to Resisting the West's Populist Wave (UNE)

Amanda Taub
11-14 minutes

Pedestrians silhouetted against the CN Tower in Toronto. Cole Burston for *The New York Times*

TORONTO — As right-wing populism has roiled elections and upended politics across the West, there is one country where populists have largely failed to break through: Canada.

The raw ingredients are present. A white ethnic majority that is losing its demographic dominance. A sharp rise in immigration that is changing culture and communities. News media and political

personalities who bet big on white backlash.

Yet Canada's politics remain stable. Its centrist liberal establishment is popular. Not only have the politics of white backlash failed, but immigration and racial diversity are sources of national pride. And when anti-establishment outsiders have run the populist playbook, they have found defeat.

Outsiders might assume this is because Canada is simply more liberal, but they would be wrong. Rather, Canada has resisted the populist wave through a set of strategic decisions, powerful institutional incentives, strong minority coalitions and idiosyncratic circumstances.

While there is no magic answer to populism, Canada's experience offers unexpected lessons for other nations.

A Different Kind of Identity

In other Western countries, right-wing populism has emerged as a politics of us-versus-them. It pits members of white majorities against immigrants and minorities, driven by a sense that cohesive national identities are under threat. In France, for instance, it is common to hear that immigration dilutes French identity, and that allowing minority groups to keep their own cultures erodes vital elements of Frenchness.

Identity works differently in Canada. Both whites and nonwhites see Canadian identity as something that

not only can accommodate outsiders, but is enhanced by the inclusion of many different kinds of people.

Canada is a mosaic rather than a melting pot, several people told me — a place that celebrates different backgrounds rather than demanding assimilation.

"Lots of immigrants, they come with their culture, and Canadians like that," said Ilya Bolotina, an information technology worker from Russia, whom I met at a large park on the Lake Ontario waterfront. "They like variety. They like diversity."

Identity rarely works this way. Around the world, people tend to identify with their race, religion or at least language. Even in the United

States, an immigrant nation, politics have long clustered around demographic in-groups.

Canada's multicultural identity is largely the result of political maneuvering.

A Liberal Party worker distributed signs commemorating Canada's 150th anniversary in Toronto's Little Italy on June 17. Cole Burston for The New York Times

In 1971, Prime Minister Pierre Trudeau faced a crisis amid the rise of French Canadian separatism in Quebec. His party was losing support, and his country seemed at risk of splitting in two.

Mr. Trudeau's solution was a policy of official multiculturalism and widespread immigration. This would resolve the conflict over whether Canadian identity was more Anglophone or Francophone — it would be neither, with a range of diversity wide enough to trivialize the old divisions.

It would also provide a base of immigrant voters to shore up Mr. Trudeau's Liberal Party.

Then, in the early 2000s, another politician's shrewd calculation changed the dynamics of ethnic politics, cementing multiculturalism across all parties.

Jason Kenney, then a Conservative member of Parliament, convinced Prime Minister Stephen Harper that the party should court immigrants, who — thanks to Mr. Trudeau's efforts — had long backed the Liberal Party.

"I said the only way we'd ever build a governing coalition was with the support of new Canadians, given changing demography," Mr. Kenney said.

He succeeded. In the 2011 and 2015 elections, the Conservatives won a higher share of the vote among immigrants than it did among native-born citizens.

The result is a broad political consensus around immigrants' place in Canada's national identity.

That creates a virtuous cycle. All parties rely on and compete for minority voters, so none has an incentive to cater to anti-immigrant backlash. That, in turn, keeps anti-immigrant sentiment from becoming a point of political conflict, which makes it less important to voters.

In Britain, among white voters who say they want less immigration, about 40 percent also say that limiting immigration is the most important issue to them. In the United States, that figure is about 20 percent. In Canada, according to

a 2011 study, it was only 0.34 percent.

Courting Ethnic Groups

Even as politicians engineered a pro-diversity consensus, immigrant and minority groups have organized, unapologetic about asserting their interests.

In Canada, because all parties compete for all ethnic blocs, minorities do not tend to polarize into just one party. That leaves little incentive for tribalism, even as minority groups feel empowered to champion their ethnic or religious identity.

"We say, 'Look, where do you stand on particular issues of importance to us?'" said Kulvir Singh Gill, a member of Toronto's powerful Sikh community. "And on the basis of that, we'll be selective in our support."

This month, Mr. Gill helped organize a fund-raiser dinner for Seva Food Bank, a Sikh-led charity he co-founded.

The event was crawling with politicians. Senior members of Canada's three main parties were present, as were several members of Parliament and the provincial premier, Ontario's equivalent of governor. Prime Minister Justin Trudeau (Pierre Trudeau's son) had recorded a video to open the dinner.

All were seeking support from Canada's Sikhs — but all were going to have to work for it.

Mr. Gill attributed this to "a real maturation in the community," with Sikhs cultivating ties to all three parties, ensuring that the Sikh voice would be represented no matter who holds office.

Other minority groups have pursued this strategy, too. As a result, while minorities in other countries feel pressure to assimilate, in Canada they do best when they retain a strong group identity.

Political science research suggests that this dynamic may have also made Canada resistant to political extremism and the polarization plaguing other Western countries.

Lilliana Mason, a professor at the University of Maryland, has found that when group identity and partisan identity overlaps, that deepens partisan polarization and intolerance against the opposing party.

But because Canadian politics accounts for diversity without polarizing across ethnic or religious lines, it is more resilient. Everyone, including whites, becomes less likely to see politics as a game of us versus them.

"We're an articulation of that Canadian dream, the Sikh Canadian dream, of living our values and putting them into action," Mr. Gill said.

Canada's minister of immigration, refugees and citizenship, Ahmed Hussen, center, spoke with guests at a Sikh food bank event on June 16 in Brampton, Ontario. Cole Burston for The New York Times

Making Mass Immigration Work

Rapid changes in demographics tend to spur anti-immigrant sentiment within the dominant group, experts say, bolstering far-right politicians who promise harsh tactics against outsiders.

But although Canada's high immigration rates have transformed the country in just a few decades, the public has mostly been calm and accepting.

One reason may be Canada's unusual immigration policies. A sponsorship system, in which Canadian families host newcomers, allows communities to feel they are a part of the country's refugee resettlement program.

And a points system, which favors migrants who are thought to contribute economically, makes immigration feel like something that benefits everyone.

As a result, immigration is broadly accepted as positive, closing off a major avenue of populist mobilization.

Ahmed Hussen, the federal immigration minister, said "the luck of geography" had also helped make immigration feel less threatening.

Virtually every immigrant to Canada is brought here deliberately. Research suggests that uncontrolled immigration, for example the mass arrival of refugees in Europe, can trigger a populist backlash, regardless of whether those arrivals pose a threat.

"We have the luxury of being surrounded by oceans on three sides, and then by the U.S. border," Mr. Hussen said. "Which, relative to your southern border, doesn't have the same amount of irregular migration."

Immo Fritsche, a professor at the University of Leipzig, in Germany, has found that when people feel a loss of control, they cling more closely to racial and national identities. And they desire leaders who promise to reassert control.

European populists have run on such promises, and by accusing political establishments of selling

out their countries to migrants. President Trump's promise to build a border wall is, at its core, a promise of control.

But Canada's points- and sponsorship-based systems, along with its geographic position, help communities feel a sense of control over immigration so that, even as new arrivals change politics and society, backlash has been minimal.

The Face of Canadian Populism

The result is a system tilted heavily against populist outsiders.

A Rebel Live conference on June 17 in Toronto. It was sponsored by The Rebel, an online news channel often likened to the American outlet Breitbart News. Cole Burston for The New York Times

Although some have found local success, particularly in Quebec, they have not managed to get national traction. At the end of my time in Toronto, I attended a conference held by The Rebel, an online news media channel that is often called "Breitbart North" and once seemed like Canada's populist vanguard.

Like the American outlet Breitbart News, it has risen on dark warnings about Shariah law and nefarious elites.

Last year, as the populist wave rose worldwide, The Rebel threw tacit support to a handful of politicians. One, Kellie Leitch, received airtime and praise as she sought to push populism into the mainstream.

But this year, when Ms. Leitch ran for the leadership of the Conservative Party, a major test of populism's appeal in Canada, she won less than 8 percent of the vote, placing sixth.

When I attended The Rebel's daylong conference in Toronto, I saw no politicians drumming up support — a sharp contrast to the Seva gala the night before.

Tara Cox, a yoga teacher, said she had some concerns about Shariah law, but quickly added that "a Syrian family moved to our small town, and everyone has rallied around them."

When a speaker warned of Muslim no-go zones in "every hamlet, every village" in Britain, saying that the same could happen in Canada, there were no bellows of rage from the audience, only courteous murmurs of concern.

This was the face of Canadian populism. As their counterparts fan out across Europe and the United States, flexing their political muscle against frightened establishments, here was a listless, modestly sized crowd, whose members seemed

aware that they had explain why.
underperformed but unable to

**The
Washington
Post**

Poll shows U.S. tumbling in world's regard under Trump

By Isaac Stanley-Becker and Scott Clement

8-10 minutes

BERLIN — President Trump has alarmed citizens of the nation's closest allies and others worldwide, diminishing the standing of the United States in their eyes, according to a wide-ranging international study released Monday.

But in the survey of 37 countries, Russia is a bright spot for Trump. As beleaguered as the president is at home, a majority of Russians say they have confidence in him. And Russians' attitudes toward the United States have improved since Trump took office.

Elsewhere, though, and with remarkable speed, Trump's presidency has taken a toll on the United States' image abroad.

The international survey by the Pew Research Center found that favorable ratings of the United States have decreased from 64 percent of people across all countries surveyed at the end of Barack Obama's presidency to 49 percent this spring. The new figures are similar to those toward the end of the George W. Bush administration.

The president himself has fared even worse: A median 22 percent are confident that Trump will do the right thing in global affairs, down from 64 percent who had confidence in Obama.

From Chile to Italy, from Sweden to Japan, majorities consider the president arrogant, intolerant, unqualified and dangerous. On the flip side, most view him as a strong leader. And many expect their country's relationship with the United States to withstand his presidency.

It is perhaps unsurprising that a man who campaigned on a pledge to put American interests first would generate backlash in other parts of the world. Nor is it surprising that the negative reaction would carry over to opinions about the United States itself. Particularly in Europe, "that's almost a reflex," said Daniel Fried, a former assistant secretary of state for European affairs.

What is surprising, said Frank G. Wisner, a former diplomat who served under Democrats and Republicans, is the degree to which Trump has scorned principles the United States has not only long espoused but also helped to define in the previous century. These include democratic governance, free markets, collective security, human rights and the rule of law — commitments that together, Wisner said, delineate the liberal international order.

Heads of state from around the world are reacting to President Trump's decision to remove the United States from the Paris climate agreement. Heads of state from around the world react to President Trump's decision to leave the Paris climate agreement at the beginning of June. (Sarah Parnass/The Washington Post)

(Sarah Parnass/The Washington Post)

"America's image has taken hits in recent years, from the decision to invade Iraq to the events of 2007 and 2008, when the American financial model took a huge hit," he said. "But the most consequential is the ascent of Mr. Trump to the Oval Office."

Global popular opinion matters, Wisner said, in part because it defines how foreign leaders engage with American interests.

The depths of disapproval registered abroad suggest that Trump has undone the progress Obama made in burnishing the American brand. It took Bush eight years, and the quagmire in Iraq, to notch such dismal ratings overseas, according to Pew. It has taken Trump six months.

[America's global popularity rises under Obama presidency]

His unpopularity is the result of a mix of disagreement with his signature policy objectives, such as building a wall along the U.S.-Mexico border, and distaste for his character, according to Pew's analysis of poll results.

Among other world leaders studied by Pew, German Chancellor Angela Merkel receives relatively high marks. The share of people who report little or no confidence in her, a median of 31 percent across 37 countries, is less than half that for Trump, at 74 percent. The survey

found that 59 percent lack confidence in Russian President Vladimir Putin and 53 percent in Chinese President Xi Jinping.

Trust in the American president plummeted most in some of the United States' closest allies in Europe and Asia, as well as in the countries it borders, Canada and Mexico. In only two countries, Russia and Israel, does Trump receive a higher score than Obama.

Since 2002, when Pew began examining the United States' image abroad, perceptions of the United States have run in parallel with judgments about the country's president. Opinions of the United States have improved in Russia, as confidence in the president rose from 11 percent toward the end of Obama's two terms to 53 percent under Trump, which is among his best ratings — along with figures for Israel, Nigeria and Vietnam.

There is no directly comparable number for Americans, as approval ratings and confidence questions employ different wording, although public polls have found that majorities of Americans disapprove of Trump's overall job performance and his handling of foreign policy.

Germans hold some of the most negative opinions of the United States, with 62 percent viewing the country unfavorably and 87 percent lacking confidence in Trump.

Germany joins more than half of the 37 countries surveyed where approval for the United States fell by double digits this year. In Mexico, positive views of the United States have been cut in half, from 66 to 30 percent. Women tend to see the United States more negatively than do men in 10 of the countries surveyed, and in 16 countries, older people are more distrustful than the young.

At the same time, affinity for Americans remains intact, as does the popularity of American popular culture, Pew found. Most people think Washington respects the personal freedoms of Americans, yet there is growing doubt about American-style democracy, in France and Germany, among other countries. With Asia a notable exception, more people disapprove than approve of the spread of American ideas and customs to their countries.

The complexity was on display recently in a classroom at the Free University in Berlin. The topic was "Democracy and the State in the U.S."

One of the professors, Christian Lammert, said his students represent the first living generation to come to political consciousness with the United States' position on the global stage in doubt. American democracy, in the students' eyes, had proved imperfect, not least owing to the treatment of racial minorities. With their own country, Germany, playing a newly authoritative role, they are learning how fundamentally geopolitics could shift over the next decades, Lammert said.

In Britain, a country seized by political uncertainty as it sorts out its relationship to Europe, "there's incredulity about Trump," even among many who supported the Brexit referendum, said Michael Borio, a local council member in London.

Nicholas Guyatt, an American historian at the University of Cambridge who has written about the waning of American power, attributed Trump's low favorability abroad not just to the spectacle of bedlam in Washington but to a deeper disconnect between the American president and the rest of the world.

Today's WorldView

What's most important from where the world meets Washington

Abroad, Guyatt said, people see that Trump's vision of American greatness is a relic.

"We're in an uncertain place, because if the U.S. is no longer playing this role in a particular vision of world order, what's the substitute? A different vision? Chaos?" he said.

The Pew Research Center survey was conducted from February to May among national random samples of 852 to 2,464 interviews in each of the 37 countries. The margin of sampling error for each country ranges from plus or minus 3.2 to 5.7 percentage points.

**The
New York
Times**

Carbon in Atmosphere Is Rising, Even as Emissions Stabilize

Justin Gillis
9-12 minutes

The Cape Grim Baseline Air Pollution Station in Tasmania. Commonwealth Scientific and Industrial Research Organization

CAPE GRIM, Tasmania — On the best days, the wind howling across this rugged promontory has not touched land for thousands of miles, and the arriving air seems as if it should be the cleanest in the world.

But on a cliff above the sea, inside a low-slung government building, a bank of sophisticated machines sniffs that air day and night, revealing telltale indicators of the way human activity is altering the planet on a major scale.

For more than two years, the monitoring station here, along with its counterparts across the world, has been flashing a warning: The excess carbon dioxide scorching the planet rose at the highest rate on record in 2015 and 2016. A slightly slower but still unusual rate of increase has continued into 2017.

Scientists are concerned about the cause of the rapid rises because, in one of the most hopeful signs since the global climate crisis became widely understood in the 1980s, the amount of carbon dioxide that people are pumping into the air seems to have stabilized in recent years, at least judging from the data that countries compile on their own emissions.

That raises a conundrum: If the amount of the gas that people are putting out has stopped rising, how can the amount that stays in the air be going up faster than ever? Does it mean the natural sponges that have been absorbing carbon dioxide are now changing?

“To me, it’s a warning,” said Josep G. Canadell, an Australian climate scientist who runs the Global Carbon Project, a collaboration among several countries to monitor emissions trends.

Scientists have spent decades measuring what was happening to all of the carbon dioxide that was produced when people burned coal, oil and natural gas. They established that less than half of the gas was remaining in the atmosphere and warming the planet. The rest was being

absorbed by the ocean and the land surface, in roughly equal amounts.

In essence, these natural sponges were doing humanity a huge service by disposing of much of its gaseous waste. But as emissions have risen higher and higher, it has been unclear how much longer the natural sponges will be able to keep up.

A raging fire in South Sumatra in September 2015. Huge fires that year in Indonesia sent a pulse of carbon dioxide into the atmosphere. Antara Foto/Reuters

Should they weaken, the result would be something akin to garbage workers going on strike, but on a grand scale: The amount of carbon dioxide in the atmosphere would rise faster, speeding global warming even beyond its present rate. It is already fast enough to destabilize the weather, cause the seas to rise and threaten the polar ice sheets.

Atmospheric Carbon Dioxide Rose At Record Rate in 2015 and 2016

Annual mean growth rate of CO₂ in Mauna Loa, Hawaii

The record increases of airborne carbon dioxide in 2015 and 2016 thus raise the question of whether this has now come to pass. Scientists are worried, but they are not ready to draw that conclusion, saying more time is needed to get a clear picture.

Many of them suspect an El Niño climate pattern that spanned those two years, one of the strongest on record, may have caused the faster-than-usual rise in carbon dioxide, by drying out large parts of the tropics. The drying contributed to huge fires in Indonesia in late 2015 that sent a pulse of carbon dioxide into the atmosphere. Past El Niños have also produced rapid increases in the gas, though not as large as the recent ones.

Yet scientists are not entirely certain that the El Niño was the main culprit; the idea cannot explain why a high rate of increase in carbon dioxide has continued into 2017, even though the El Niño ended early last year.

Scientists say their inability to know for certain is a reflection not just of the scientific difficulty of the problem, but also of society’s failure to invest in an adequate monitoring

system to keep up with the profound changes humans are wreaking on the planet.

“It’s really bare bones, our network, contrary to common misperceptions about the government wasting money,” said Pieter Tans, chief of a unit that monitors greenhouse gases at the National Oceanic and Atmospheric Administration.

While the recent events have made the scientific need for an improved network clear, the situation may be about to get worse, not better. President Trump’s administration has targeted American science agencies for cutbacks, with NOAA, the lead agency for tracking greenhouse gases, being one of those on the chopping block.

Australia also had a recent fight over proposed cutbacks in climate science, but so far that country’s conservative government has promised continued funds for the Cape Grim science program, Australia’s most important contribution to global climate monitoring. The atmospheric observatory here, which receives some money from NASA, is one of the most advanced among scores of facilities around the world where greenhouse gases and other pollutants are monitored.

A monorail moving through a smoky haze, which blew over from Indonesia, in the Singapore port in September 2015. Wong Maye-E/Associated Press

The network is complete enough to give a clear picture of the overall global trends in industrial gases in the air, scientists say. But it is too sparse to give definitive information about which parts of the planet are absorbing or releasing greenhouse gases at a given moment. Lacking such data, scientists have trouble resolving some important questions, like the reasons for the rapid increase of carbon dioxide over the past three years.

“It’s really important that people get that there’s an awful lot that’s just not known yet,” Sam Cleland, the manager of the Cape Grim station, said.

Human activity is estimated to be pumping almost 40 billion tons of carbon dioxide into the air every year, an amount that Dr. Canadell of the Global Carbon Project called “staggering.” The atmospheric concentration of the gas has risen

by about 43 percent since the Industrial Revolution.

That, in turn, has warmed the Earth by around 2 degrees Fahrenheit, a large number for the surface of an entire planet.

With a better monitoring network, scientists say they might be able to specify in greater detail what is causing variations in the amount of carbon dioxide staying in the air — and, perhaps, to give a timely warning if they detect a permanent shift in the ability of the natural sponges to absorb more.

Dr. Tans of NOAA would like to put sensors on perhaps a hundred commercial airplanes to get a clearer picture of what is happening just above land in the United States. The effort would cost some \$20 million a year, but the government has not financed the project.

The uncertainty stemming from the recent increases in carbon dioxide is all the more acute given that global emissions from human activity seem to have stabilized over the past three years. That is primarily because of changes in China, the largest polluter, where an economic slowdown has coincided with a conscious effort to cut emissions.

“I’d estimate that we are about at the emissions peak, or if there are further rises, they won’t be much,” said Wang Yi, a professor at the Chinese Academy of Sciences in Beijing, who also belongs to the national legislature and advises the government on climate policy.

Emissions in the United States, the second-largest polluter after China, have also been relatively flat, but Mr. Trump has started tearing up President Barack Obama’s climate policies, raising the possibility that greenhouse gases could rise in coming years.

Dr. Tans said that if global emissions flattened out at today’s high level, the world would still be in grave trouble.

“If emissions were to stay flat for the next two decades, which could be called an achievement in some sense, it’s terrible for the climate problem,” he said.

ETATS-UNIS

Supreme Court Allows Partial Implementation of Trump Travel Ban (UNE)

Brent Kendall

8-10 minutes

Updated June 26, 2017 11:17 p.m. ET

WASHINGTON—The U.S. Supreme Court allowed President Donald Trump's administration to implement part of his temporary ban on travelers from six Muslim-majority countries and said Monday it would give full consideration to whether the president's actions were lawful.

The Supreme Court's action, in a case of unusually high stakes for a new president, is a significant reversal of fortune for Mr. Trump, who had been on the losing end of several lower-court decisions that blocked his March 6 executive order.

That order, a revised version of one issued in late January, sought to impose a 90-day ban on U.S. entry for people from Iran, Libya, Somalia, Sudan, Syria and Yemen, and to suspend temporarily the U.S. program for admitting refugees. Mr. Trump said the order would help prevent terrorism.

The justices, in an unsigned 13-page opinion, narrowed the scope of the ban for now, ruling that the president couldn't enforce it against travelers "who have a credible claim of a bona fide relationship" with a person or organization in the U.S. The court narrowed the ban on refugees in the same way.

The court's decision means a limited version of Mr. Trump's travel restrictions can take effect in as soon as three days. But it raised immediate questions about which travelers would qualify for the court's "bona fide" exception to the ban, paving the way for potentially messy legal battles in the coming months.

Chief Justice John Roberts announced the court's decision after the justices dispensed with their other pending business, capping a dramatic final day of the court's term. The high court doesn't usually announce decisions from the bench in cases it hasn't yet fully considered, but nothing about the travel ban litigation has been typical.

Mr. Trump, a Republican, took office vowing to shake things up, pledging among other things to crack down on terrorism and immigration. His executive orders on travel began producing significant lower-court rulings within weeks after his inauguration.

Some judges openly questioned Mr. Trump's motivations, citing his support as a candidate for a complete ban on Muslims entering the U.S. The president fired back with blunt criticisms of the courts that have ruled against him, tweeting his own commentary about the cases as they have progressed.

The Supreme Court said on Monday it would give closer consideration to the case in October, when it will hear oral arguments. By then, the 90-day pause on travel will already be over, a fact that could moot the justices' further consideration, or at least complicate it.

Mr. Trump's administration, however, could seek to restrict travel for some foreign nationals beyond the 90 days in the current order. U.S. officials are studying vetting procedures world-wide, and that review could result in additional countries being added to the list for restricted travel.

Both sides claimed a win after the ruling.

Mr. Trump called the high court's action "a clear victory for our national security. It allows the travel suspension for the six terror-prone countries and the refugee suspension to become largely effective."

"My number one responsibility as commander in chief is to keep the American people safe. Today's ruling allows me to use an important tool for protecting our Nation's homeland," Mr. Trump said in a statement.

The president's critics argued that the court's ruling was a narrow win at best for Mr. Trump. Many would-be travelers or refugees have a connection to the U.S., they said, and could be exempt from the executive order.

"This order, properly construed, should really allow for only the narrowest implementation of any part of the ban," said Omar Jadwat,

an American Civil Liberties Union lawyer who argued one of the travel ban cases in the lower courts.

Even with the travel restrictions on hold, admissions from the six nations fell dramatically in March and April, government data show. Compared with a year earlier, the number of people admitted from Iran, Libya, Somalia, Sudan, Syria and Yemen was down by about half year over year. It was unclear whether that was primarily due to fewer people seeking to travel to the U.S. or to the administration rejecting more applications.

Mr. Trump's first executive order on immigration, which he signed shortly after taking office, was briefly implemented with no advance notice and caused widespread confusion at U.S. airports. It also created anxiety in immigrant communities because its terms appeared to apply to people who already had been given permission to live in, or travel to, the U.S.

Lower courts blocked that order, and the president then replaced it with the current, scaled-back version, which he signed in March. The revised order was also quickly blocked by lower courts. And the White House had lost its appeals—until now.

The administration filed an emergency appeal earlier this month at the Supreme Court asking for permission to move forward with the executive order as the litigation on the order's underlying legality continued. The White House also asked the high court to review the core issues in the case and resolve whether the president's ban is permissible.

States, individuals, immigrant-rights organizations and civil-rights groups have brought cases challenging Mr. Trump's planned restrictions, arguing they improperly target Muslims for disfavored treatment.

The high court's action Monday partially stayed recent rulings against Mr. Trump, and it signaled that the president has favorable prospects of winning a final ruling in the case during the court's next term. It takes five votes on the nine-member Supreme Court to grant a stay, and one of the factors the court considers is whether the party

seeking the stay has a fair prospect of winning the case.

Chief Justice Roberts assembled an ideologically diverse coalition for the middle-ground approach, attracting the support of maverick conservative Justice Anthony Kennedy and the court's four liberal justices.

Three of the court's most conservative justices—Clarence Thomas, Samuel Alito and Neil Gorsuch—offered a partial dissent, objecting to the narrowing of the president's ban. They wrote that they feared the compromise standard, which turns on the closeness of a person's connections to the U.S., would be unworkable and "invite a flood of litigation until this case is finally resolved on the merits."

Federal judges in Hawaii and Maryland blocked the president's plans within days of his signing the revised executive order, which has never taken effect. In recent weeks, two federal appeals courts also ruled against Mr. Trump on the central issues in the litigation, relying on different legal grounds.

On May 25, the Fourth U.S. Circuit Court of Appeals in Richmond, Va., issued the broadest ruling, saying Mr. Trump had singled out Muslims for disfavored treatment in a way that likely violated the Constitution. The court's decision relied heavily upon comments Mr. Trump made on the campaign trail in support of a Muslim ban, as well as other comments he has made since taking office.

The Ninth Circuit in San Francisco took a different approach when it ruled against the president on June 12, avoiding Mr. Trump's comments and the constitutional questions altogether. Instead, that appeals court said the president violated federal immigration law because he failed to provide sufficient justification for his ban.

—Laura Meckler contributed to this article.

Write to Brent Kendall at brent.kendall@wsj.com

Appeared in the June 27, 2017, print edition as 'Supreme Court Narrows Scope of Order.'

Michael D. Shear and Adam Liptak
9-11 minutes

Protesters and bystanders outside the Supreme Court on Monday. The court will hear arguments in October on President Trump's executive order banning travel from six majority-Muslim countries. Stephen Crowley/The New York Times

WASHINGTON — The Supreme Court cleared the way on Monday for President Trump to prohibit the entry of some people into the United States from countries he deems dangerous, but the justices imposed strict limits on Mr. Trump's travel ban while they examine the scope of presidential power over the border.

Mr. Trump quickly hailed the court's decision to hear arguments on the travel ban in October, saying — in a formal White House statement, not a tweet — that the justices' temporary lifting of some of the legal roadblocks to his ban was a "clear victory" for national security.

"As president, I cannot allow people into our country who want to do us harm," Mr. Trump wrote, calling his efforts to limit entry into the country a "suspension" instead of a ban. "I want people who can love the United States and all of its citizens, and who will be hardworking and productive."

He later tweeted: "Very grateful for the 9-0 decision from the U. S. Supreme Court. We must keep America SAFE!"

But those challenging the travel ban said the court's opinion would protect the vast majority of people seeking to enter the United States to visit a relative, accept a job, attend a university or deliver a speech. The court said the ban could not be imposed on anyone who had "a credible claim of a bona fide relationship with a person or entity in the United States."

Karen Tumlin, legal director of the National Immigration Law Center, said advocates for refugees and other immigrants would urge the justices this fall to lift the president's travel ban for everyone seeking to come to the United States.

"We think it's repugnant to our values that they might be treated differently because of where they are from or how they choose to pray," Ms. Tumlin told reporters.

Listen to 'The Daily'

Adam Liptak, our Supreme Court reporter, describes the path of President Trump's travel ban through the courts, up to the top.

The court's opinion sets up a historic legal clash in which the justices will weigh the president's power to set national security priorities against the need to protect individuals from discrimination based on their religious beliefs or national origin.

In saying they would take the case, the justices partly endorsed the administration's view that the president has vast authority to control who crosses the border. They said the president's powers to limit immigration "are undoubtedly at their peak when there is no tie between the foreign national and the United States."

But the opinion also signaled that some of the justices might believe that Mr. Trump exceeded even that broad authority when he twice sought to impose a blanket ban on entry to the United States from certain predominantly Muslim countries. With the limits imposed on Monday by the court, the travel ban will be far narrower than the one he proposed in his first week in office and a later, revised version.

For Mr. Trump, the opinion was a rare legal victory after months in which the lower courts repeatedly chastised him for imposing a de facto ban on Muslims' entering the country. In May, the United States Court of Appeals for the Fourth Circuit, in Richmond, Va., said the president's revised order "drips with religious intolerance, animus and discrimination."

In a statement, officials at the Department of Homeland Security said the court opinion would allow the department "to largely implement the President's executive order." Mr. Trump used similar language in his statement, saying his travel ban would now "become largely effective."

Critics of the ban disputed those assessments. Cecillia Wang, the deputy legal director for the American Civil Liberties Union, said the opinion meant that the ban would not apply to many people while the court case proceeds.

"Clearly, the White House press statement today is based on alternative facts," Ms. Wang said.

The court's decision could lead to months of administrative and legal wrangling as consular officials try to determine which people are allowed to seek entry into the United States and which are barred by the opinion.

Supreme Court Takes On Trump Travel Ban

Adam Liptak, Supreme Court reporter for the New York Times, explains the court's decision to hear arguments on the legality of the Trump administration's travel ban. The court also left part of the executive order in effect.

By A.J. CHAVAR and ADAM LIPTAK on June 26, 2017. Photo by Gabriella Demczuk for The New York Times. Watch in Times Video »

"We are going to be monitoring all of that," said Becca Heller, the director of the International Refugee Assistance Project, one of the plaintiffs in the case.

The justices said the distinction should be easy to administer. "In practical terms, this means that" the executive order "may not be enforced against foreign nationals who have a credible claim of a bona fide relationship with a person or entity in the United States," they wrote.

But Justice Clarence Thomas, who issued a partial dissent on Monday that was joined by Justices Samuel A. Alito Jr. and Neil M. Gorsuch, warned that the court's opinion would "prove unworkable" for officials at consulates around the world and would invite "a flood of litigation" from people denied entry.

"Today's compromise will burden executive officials with the task of deciding — on peril of contempt — whether individuals from the six affected nations who wish to enter the United States have a sufficient connection to a person or entity in this country," Justice Thomas wrote.

Based on the dissent, those three justices are likely to vote in favor of the Trump administration.

The court's four-member liberal bloc — Justices Ruth Bader Ginsburg, Stephen G. Breyer, Sonia Sotomayor and Elena Kagan — are likely to vote against it.

That leaves the ultimate fate of the ban in the hands of Chief Justice John G. Roberts Jr. and Justice Anthony M. Kennedy.

Attorney General Jeff Sessions called the court's decision an "important step towards restoring the separation of powers between the branches of the federal government," and he expressed confidence that the court would uphold the president's travel ban in its entirety after it heard the case this fall.

Some opponents of the travel ban said they worried about the fate of people who might be barred from entering the United States in the meantime.

"The court's ruling will leave refugees stranded in difficult and dangerous situations abroad," said Hardy Vieux, the legal director of Human Rights First. "Many of these individuals may not have 'bona fide relationships,' but have strong reasons to look to the United States for protection."

Mr. Trump's revised executive order, issued in March, limited travel from six mostly Muslim countries for 90 days and suspended the nation's refugee program for 120 days. The time was needed, the order said, to address gaps in the government's screening and vetting procedures.

Two federal appeals courts had blocked critical parts of the order, and the administration had asked that the lower court rulings be stayed while the case moved forward. The Supreme Court granted part of that request in its unsigned opinion.

The Fourth Circuit ruled on constitutional grounds, saying the limits on travel from the six countries violated the First Amendment's ban on government establishment of religion. It blocked those limits, but not the suspension of the refugee program.

This month, the United States Court of Appeals for the Ninth Circuit, in San Francisco, blocked both the limits on travel and the suspension of the refugee program. It ruled on statutory rather than constitutional grounds, saying Mr. Trump had exceeded the authority granted him by Congress.

The Supreme Court agreed to review both cases in October, noting that the government had not asked it to act faster.

The court suggested that the administration could complete its internal reviews over the summer, raising the prospect that the case could be moot by the time it is argued.

Audio



Supreme Court allows limited version of Trump's travel ban to take effect and will consider case in fall (UNE)

<http://www.facebook.com/matt.zapo.tosky>

9-11 minutes

The Supreme Court on Monday permitted a scaled-back version of President Trump's ban on travelers from six mostly Muslim countries to take effect, deciding to hear the merits of the case in the fall but allowing Trump for now to claim a victory in the legal showdown.

The court's unsigned order delivered a compromise neither side had asked for: It said the government may not bar those with a "bona fide" connection to the United States, such as having family members here, or a job or a place in an American university.

But the justices indicated that lower courts had gone too far in completely freezing Trump's order banning new visas for citizens of six countries — Libya, Iran, Somalia, Sudan, Syria and Yemen — for 90 days and putting the refugee program on hold for 120 days.

"The Government's interest in enforcing [the executive order], and the Executive's authority to do so, are undoubtedly at their peak when there is no tie between the foreign national and the United States," the court wrote.

[What the Supreme Court's travel ban ruling means]

Supreme Court, with ninth justice, now looks ahead to contentious fall term

Trump called the ruling "a clear victory for our national security." In a statement, he said: "As president, I cannot allow people into our country who want to do us harm. I want people who can love the United States and all of its citizens, and who will be hardworking and productive."

He added that he was "particularly gratified that the Supreme Court's decision was 9-0."

The president said last week that the order would go into effect 72 hours after being approved by the courts.

In the opinion, the court said it will hear arguments in the case — which raises fundamental questions about religious discrimination and the president's broad powers to protect the nation — when it reconvenes in October.

In the meantime, the justices nudged the Trump administration to get on with what it said would be a temporary pause to review vetting procedures.

"We fully expect that the relief we grant today will permit the Executive to conclude its internal work and provide adequate notice to foreign governments" within 90 days, the court said.

That means that by the time the court takes up the case in the fall, circumstances could be quite different. Depending on the results of the review, Trump could push to extend the measure or even make it permanent.

The court also told lawyers to address whether the justices' consideration of the case in the fall might be moot, because administration officials will have had time to review vetting procedures.

Leon Fresco, who served as deputy assistant attorney general for the office of immigration litigation in President Barack Obama's Justice Department, said the limited travel ban seems to affect two types of people who don't necessarily have ties to the United States: those seeking U.S. visas as visitors and those trying to get visas through a government lottery meant for people from countries with historically low rates of immigration to the United States.

The State Department would not say how many visa seekers the ban would affect.

Anyone with a school acceptance letter, job offer or family member already here would probably be able to obtain a visa and travel as normal.

Interpretations of the court's decision diverged widely among immigration lawyers and advocates.

Some, such as the American Civil Liberties Union, suggested that the decision would allow for "only the narrowest" implementation of the travel ban, affecting very few would-be travelers from the six countries.

But other groups, such as Amnesty International USA, warned of grave consequences, such as a renewal of "chaos" at airports and an enforcement of the ban that would "tear families apart."

[Federal appeals court says Trump travel ban violates Constitution]

Justices Clarence Thomas, Samuel A. Alito Jr. and Neil M. Gorsuch would have let the ban take effect as the Trump administration crafted it, and Thomas wrote that the court had made an "implicit conclusion that the Government has made a strong showing that it is likely to succeed on the merits."

The court's revised order will "burden executive officials with the task of deciding — on peril of contempt — whether individuals

from the six affected nations who wish to enter the United States have a sufficient connection to a person or entity in this country," Thomas wrote.

Such a compromise, he wrote, will lead to a "flood of litigation" over what constitutes a "bona fide relationship."

The travel ban has been a major point of contention between Trump and civil rights groups, which say it is motivated by unconstitutional discrimination against Muslims.

Trump contends that the ban is necessary to protect the nation while the administration decides whether tougher vetting procedures and other measures are needed. He has railed against federal judges who have blocked the move.

Because the executive order was stopped by lower courts, travelers from those countries have been entering the United States following normal visa procedures. Trump initially moved to implement the restrictions in January, in his first week in office.

[Analysis: Trump travel ban wouldn't have kept out anyone behind deadly terrorist attacks]

His first executive order went into effect immediately and resulted in chaos at airports in the United States and abroad as travelers from the targeted nations were stranded or sent back to their countries.

Lawyers for challengers to the order rushed to federal courts, and the order was stayed within days. The U.S. Court of Appeals for the 9th Circuit eventually said the order could not be implemented, infuriating the president, who said he would take the case to the Supreme Court.

Instead, his administration regrouped and issued a second order in March. It added a section detailing national security concerns, removed Iraq from the list of countries affected, deleted a section that had targeted Syrian refugees and removed a provision that favored Christian immigrants.

Trump's lawyers told courts that the new order was written to respond to the 9th Circuit's concerns. But new lawsuits were immediately filed, and federal judges once again stopped the implementation.

A federal district judge in Maryland blocked the portion of the order affecting travelers from the six countries. A judge in Hawaii also froze that portion, as well as the part affecting refugee programs.

Appeals courts on both coasts upheld those decisions.

The U.S. Court of Appeals for the 4th Circuit in Richmond agreed with U.S. District Judge Theodore D. Chuang in Maryland, who sided with opponents in finding that the ban violates the Constitution by intentionally discriminating against Muslims. In a 10-to-3 decision, the appeals court noted Trump's remarks before and after his election about a ban on Muslims and said the executive order "in context drips with religious intolerance, animus and discrimination."

Meanwhile, a three-judge panel of the 9th Circuit said Trump had not adhered to federal law under which Congress gives the president broad power in immigration matters. They said that national security is not a "talismanic incantation" that, once invoked, can support any and all exercise of executive power.

In both appeals courts, a minority of conservative judges said their colleagues were making a mistake. Judges should consider only whether the executive orders were proper on their face, they said, without trying to decide whether the president had ulterior motives, and should defer to national security decisions made by the executive branch.

"The Supreme Court surely will shudder at the majority's adoption of this new rule that has no limits or bounds," wrote dissenting 4th Circuit Judge Paul V. Niemeyer.

Justice, Homeland Security and State department officials said they were still studying the decision to determine exactly who it affects and how it might be carried out.

The Supreme Court's opinion seems unlikely to re-create the chaos that ensued after Trump issued his first travel ban, causing tens of thousands of visas to be revoked and some travelers to be detained and sent away from U.S. airports.

Trump already had rescinded and revised his first order so that it affected only the issuance of new visas, and the justices left intact an even more limited version. Advocates nonetheless said they would deploy people to watch for potential abuses.

"The court's decision threatens damage to vulnerable people waiting to come to the U.S.: people with urgent medical conditions blocked, innocent people left adrift, all of whom have been extensively vetted," said former British foreign secretary David Miliband, president of the International Rescue Committee.

After Monday's court ruling, Trump issued his low-key statement

through normal White House channels.

That was in contrast to his thunderous Twitter offerings when courts previously disagreed with him. He wrote in one such post:

"People, the lawyers and the courts can call it whatever they want, but I am calling it what we need and what it is, a TRAVEL BAN!"

Abigail Hauslohner and Ann E. Marimow contributed to this report.



Editorial : Travel ban: Supreme Court muddles debate

TODAY

4-5 minutes

The Supreme Court had a mixed ruling on President Trump's revised travel ban. We broke it down. USA TODAY

Those hoping for guidance on whether Trump's executive order was a Muslim ban are left hanging: Our view

Protest in Seattle on May 15, 2017.(Photo: Jason Redmond, AFP/Getty Images)

The Supreme Court has only added confusion to President Trump's stubborn and — until now — futile effort to temporarily bar visitors from certain Muslim-majority countries. The justices partially resuscitated Trump's plans to ban visitors from Iran, Libya, Somalia, Sudan, Syria and Yemen for 90 days, and gave both sides plenty to crow about.

Americans hoping for some guidance from the high court on whether Trump's



Editorial : A Unanimous Rebuke to Judges on the Travel Ban

June 26, 2017
6:48 p.m. ET 133

COMMENTS

3-4 minutes

The Supreme Court on Monday began the process of rebuking lower courts for usurping the political branches on national security. The entire Court, even the four liberals, agreed to hear the Trump Administration's appeal of appellate-court rulings blocking its immigration travel ban, and the Justices allowed nearly all of the 90-day ban to proceed in the meantime.

This is a victory for the White House, though it is more important for the



Editorial : The Supreme Court splits the baby on Trump's travel ban — for now

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

4-5 minutes

action was in reality a Muslim ban, something he promised voters he would deliver once elected, were left scratching their heads.

Two federal appeals court had taken Trump at his word during his campaign rallies and halted the ban, one on grounds that it violated immigration law, and the other that it violated the Constitution. The 4th Circuit Court of Appeals said that in the context of Trump's heated rhetoric toward Muslims, his travel-ban executive order "drips with religious intolerance, animus and discrimination."

But the Supreme Court ignored that particular elephant in the room and split the difference. Pending a full hearing in the fall on the merits of Trump's order, his 90-day ban on visitors from the six countries and his 120-day ban on all refugees was allowed to proceed—but not for visitors or refugees who have a "a bona fide relationship with a person or entity in the United States."

Baffled? So is everyone else. The White House called it a "clear victory." Civil rights lawyers for immigrants and their families, however, said it would impact a

Constitution's separation of powers. President Trump's ban is neither wise nor necessary, but that is not an invitation for judges to become back-seat Commanders in Chief. Yet that is precisely what liberal majorities on both the Fourth and Ninth Circuit Courts of Appeal did in blocking the travel bans, and the Supreme Court is saying those rulings will not be the last judicial word. The Court's unsigned per curiam opinion set the case for an early hearing on the legal merits in the next term that begins in October.

Justice Clarence Thomas, joined by Justices Samuel Alito and Neil Gorsuch, wrote a concurrence arguing that the Court should have lifted the lower-court injunctions in toto. He also added a cheeky aside

small number of people seeking entry to the United States.

"I fear the court's remedy will prove unworkable," Justice Clarence Thomas wrote in a partial dissent, adding it will "invite a flood of litigation."

He's probably right.

The whole enterprise has been a mess right from the start. The first version of the president's travel ban, issued Jan. 27, was so deeply flawed that it had to be rewritten. Even as White House lawyers argued for the legitimacy of the newer version, Trump tweeted that it was only a "watered down, politically correct" variation of the original.

And it was arbitrary. Since before 9/11, no terrorist from any of the six countries has launched a fatal attack against the United States. The Department of Homeland Security's own internal reviews find that immigrants from those countries pose no unique threat. Moreover, attacks in America are increasingly from among the native-born.

that "I agree with the Court's implicit conclusion that the Government has made a strong showing that it is likely to succeed on the merits—that is, that the judgments below will be reversed."

Some Justices might not agree with that, but it's notable that Chief Justice John Roberts managed to corral a unanimous Court for lifting nearly all of the injunctions. That means even the liberals understand that injunctions need to be issued with care, especially on national security where judges lack the knowledge and electoral accountability of the executive and Congress.

The High Court's precedents are clear, especially *Kleindienst v. Mandel* (1972) that said courts

Presidents usually have wide discretion when it comes to immigration restrictions. But Trump's own rhetoric about Muslims got him in trouble with the appeals courts. By the time the Supreme Court hears the case in full in the fall and issues a ruling months later, the 90-day ban on visitors and 120-day ban on refugees will have likely ended. The debate over whether Trump acted illegally and violated First Amendment safeguards against religious discrimination could be moot.

However, Trump's executive order made room for him to extend his ban. A misguided policy may finally have its day of reckoning.

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should defer to the executive if there is a "facially legitimate and bona fide" justification on national security. Judges can't run roughshod over the Constitution merely because an unpopular President issued the travel order.

Democrats and the media will now begin a ferocious lobbying campaign to turn five Justices against these precedents, in particular the Chief Justice and Justice Anthony Kennedy. We doubt this will succeed because this isn't a close legal call, and it concerns the Presidency more than this particular President.

Appeared in the June 27, 2017, print edition as 'A Unanimous Rebuke on the Travel Ban.'

The Post's View

Opinion

Opinion A column or article in the Opinions section (in print, this is known as the Editorial Pages).

By Editorial Board

The Post's View

Opinion

Opinion A column or article in the Opinions section (in print, this is known as the Editorial Pages).

June 26 at 7:08 PM

IN ANNOUNCING it would review President Trump's ban on refugees and travelers from six mainly Muslim countries this fall, the Supreme Court on Monday struck a cautious interim compromise. The justices allowed a constrained version of the order to take effect for the time being — but only on foreigners “who lack any bona fide relationship with a person or entity in the United States.” The effect of that ruling is likely to fall most heavily on refugees from some of the world's most desperate places, while continuing to allow a flow of visitors from the six countries singled out by the Trump administration — Iran, Libya, Somalia, Sudan, Syria and Yemen — albeit in diminished numbers.

The court's attempt to craft a temporary way forward that would limit the harm to individuals is welcome and should prevent hardship for thousands of students, relatives of U.S. citizens and others. Nonetheless, the three conservative

justices who dissented, arguing that the full ban should go into effect now, may be right in predicting that the court opened the door to a muddled new season of immigration litigation. As Justice Clarence Thomas wrote for the dissenters, lawsuits are now likely to flourish as the government and affected individuals and institutions struggle over what constitutes “a bona fide relationship” and who may stake a credible claim to one.

All immigration policy involves splitting the baby — admitting some who want to enter the United States while excluding many — in one form or another; the high court is likely to delimit the terms of that exercise later this year. Still, it's notable that the administration, which has argued so passionately that a travel ban is urgently required on the basis of national security, never asked the court to adjudicate the ban's lawfulness on an expedited basis. That alone gives the lie to the supposed urgency that Mr. Trump

has said compelled his executive order in the first place.

Politics newsletter

The big stories and commentary shaping the day.

The court also served notice that the administration's foot-dragging on crafting new screening and vetting procedures for immigrants from the affected countries — the very rationale it used in arguing for a ban from the outset — will now come under heightened scrutiny. Officials have contended that rulings by lower courts blocking implementation of the ban also stopped the administration from developing those more muscular procedures, a process that was supposed to take 90 days for the six mostly Muslim countries and 120 days for refugees.

That argument was always suspect. Now, with more than 150 days having elapsed since the president's first ban was announced

in January, and more than 100 days since the revised one was issued in March, it's even fishier. If there's such urgency, why haven't improved procedures been developed, which would render the ban itself moot by now? The justices themselves asked the administration and groups challenging the ban to address that question, which will be an even more glaring point of contention when the case is heard by the court this fall.

Predictably, Mr. Trump hailed the court's interim decision as a famous victory; it isn't. A key component of the ban, affecting thousands of potential visitors with ties to this country, remains blocked. And until the court issues a final ruling, later this year or next, the very constitutionality of the administration's action remains in doubt.

The New York Times

Editorial : The Travel Ban at the Supreme Court

The Editorial Board

4-5 minutes

Ariel Davis

President Trump cares a lot about winning, or at least the appearance of it. So he was predictably quick to sound off in triumph after the Supreme Court announced on Monday morning that in October it would consider the legality of his revised travel ban and will allow the ban to take partial effect in the meantime. The justices' decision, he said, was “a clear victory for our national security.”

In reality, “victory” for anyone in this case is far from clear.

Mr. Trump, who had called during the campaign for “a total and complete shutdown of Muslims entering the United States,” issued his first travel ban in January, but it was quickly

blocked by the courts.

A revised version, issued in March, barred visitors from six Muslim-majority countries from entering the United States for 90 days and suspended the refugee program for 120 days. Key parts of it were again struck down by two federal appeals courts. One of the two courts, the United States Court of Appeals for the Fourth Circuit, recalled Mr. Trump's own incendiary campaign statements in ruling that the order violated the First Amendment's ban on government establishment of religion and that it “drips with religious intolerance, animus and discrimination.”

On Monday, the justices agreed to review both appellate decisions, but their unsigned opinion did not address the merits of those cases. They ruled that until they hear the case in early fall, the ban will apply only to foreigners with no connections to America and not to those “who have a credible claim of a bona fide relationship” here.

What's a “bona fide” relationship? It's a good question, and one that will be litigated aggressively over the summer. The court provided general guidelines — say, a family member of someone living in the country, a student admitted to a university or a worker with an employment offer in hand. Relationships that exist only to get around the ban are not acceptable — for example, between refugees and the immigrant-rights groups that reach out to them as potential clients.

That approach did not satisfy Justices Clarence Thomas, Samuel Alito and Neil Gorsuch, who argued in partial dissent that the “bona fide” standard was “unworkable” and will result in a “flood of litigation” in the lower federal courts. The dissenters would have allowed the ban to take effect in its entirety.

All the legal jockeying shouldn't obscure the fundamental foolishness of the policy itself. Despite Mr. Trump's groundless

claim that the ban is necessary to protect national security, no one from the affected countries has been responsible for a fatal terror attack in the United States in the past two decades. This includes the past five months, during which the White House has repeatedly insisted on the ban's importance even as it has shown little urgency in filing its appeals.

Now the administration has the summer to conduct its vetting review, which was the original rationale for the travel ban — the government needed time to “figure out what is going on,” as Mr. Trump once put it. By October, the ban will have expired and the review should be complete. And by then Mr. Trump might conceivably have developed a factual basis for a policy that continues to bar people from certain countries, which would trigger a whole new round of litigation.

THE WALL STREET JOURNAL

Senate Health Bill Raises Uninsured by 22 Million in 2026 Compared With ACA, the CBO Says (UNE)

Stephanie Armour, Kristina Peterson and Louise Radnofsky

9-11 minutes

Updated June 26, 2017 9:25 p.m. ET

The Senate Republican health-care overhaul would result in 22 million more people uninsured and cut the

cumulative federal deficit by \$321 billion in the next decade compared with the current Affordable Care Act, according to an estimate released Monday by the Congressional Budget Office.

That assessment threw into doubt whether the bill would make it past an initial procedural hurdle as Senate Majority Leader Mitch McConnell (R., Ky.) is engaged in

last-minute negotiations with more than a half-dozen GOP lawmakers wavering in their support of the bill. Sen. Susan Collins (R., Maine) said she would vote against the bill, citing the CBO report.

Also on Monday, the American Medical Association announced its opposition to the bill in a letter to Senate leaders, saying “it will expose low- and middle-income

patients to higher costs and greater difficulty in affording care.” But insurer Anthem Inc. said it believed the legislation would bring stability to the individual insurance markets.

GOP leaders have said the Senate will vote this week on the bill. They can lose no more than two Republican senators on either the “motion to proceed” to debate on the bill, which could come as early

as Tuesday, or on the bill itself, expected to come up for a vote later in the week. None of the 48 members of the Senate Democratic caucus is expected to vote in favor of the bill.

Six GOP senators are now opposed to the bill and at least three have said they would block it on the procedural vote.

The bill's effect on consumers would vary widely, the CBO found. Many people would see lower premiums, partly because their plans would cover fewer benefits. But for lower-income consumers or those with special needs, medical costs could be significantly higher.

Republicans emphasized the CBO's finding that after rising for a time, average premiums would go down after 2020.

"Our plan will help address Obamacare's ballooning costs for consumers by lowering premiums over time and cutting taxes, and today's estimate confirms that," said Sen. John Cornyn of Texas, the second-ranking Senate Republican.

The White House said in a statement: "The CBO has consistently proven it cannot accurately predict how healthcare legislation will impact insurance coverage. This history of inaccuracy, as demonstrated by its flawed report on coverage, premiums, and predicted deficit arising out of Obamacare, reminds us that its analysis must not be trusted blindly."

Democrats and their allies pounced on the analysis to say the Senate bill would gut Medicaid and give tax breaks to the wealthy. "Today's report confirms what doctors, patient advocates, Democrats and Republicans have been saying for weeks: Trumpcare will lead to higher costs for less care, and will lead to tens of millions of Americans left without health insurance," said Senate Minority Leader Chuck Schumer (D., N.Y.).

Senate leaders have been working for weeks in closed-door sessions to draft a bill knocking down key parts of the ACA and replacing it with a new system of tax credits and cuts to Medicaid. If the bill passes this week, it is possible the House could vote on health-overhaul

legislation before Congress takes a recess in August.

Four conservative Republicans—Sens. Rand Paul of Kentucky, Ron Johnson of Wisconsin, Mike Lee of Utah and Ted Cruz of Texas—said shortly after the bill's release they opposed it in its current form. A centrist, Sen. Dean Heller (R., Nev.), announced his opposition the following day.

Ms. Collins said in a trio of tweets Monday evening that while she wanted to fix the ACA, the "CBO analysis shows Senate bill won't do it," citing the cuts to Medicaid funding and how that could restrict health-care access in rural areas. "Senate bill doesn't fix ACA problems for rural Maine," she said.

Mr. McConnell's most immediate challenge is securing the 50 votes needed to clear the procedural vote. Mr. Paul and Ms. Collins have said they would vote against it, and Mr. Johnson has said he couldn't vote to advance the bill without further information.

If Mr. McConnell can't persuade at least one of those Republicans to change their mind, the monthslong push to overhaul the ACA would collapse on the procedural vote.

Lawmakers will have little time to digest the CBO analysis, if the vote occurs this week as planned. When the CBO reported that the House version of the bill would result in 23 million fewer insured Americans in 2026 than the ACA, it delivered a jolt that undermined the bill's support, though House Republican leaders were able to muster enough support to narrowly pass it.

It is unclear if the CBO score will have a similar effect in the Senate. Some GOP centrists had expressed concerns that the bill would leave too many people uninsured.

The increase in the uninsured would be disproportionately larger among older people with lower income, particularly people between 50 and 64 years old, according to the CBO.

Under the Senate bill, an estimated 49 million people would be uninsured by 2026 compared with 28 million who would lack care under the ACA, according to the analysis by CBO and the Joint Committee on Taxation. That's

primarily because of sizable cuts to the Medicaid program, the end of a penalty for not having coverage, and substantially smaller subsidies to help low-income people purchase insurance. The number of Medicaid enrollees under 65 would fall by about 16% by 2026 relative to current law (or 15 million fewer people).

The Senate bill would phase out enhanced federal funding by 2024 to the 31 states that expanded Medicaid under the ACA, and it would alter the program's overall funding in a way that would sharply limit the money received by the states.

Federal spending on Medicaid would be reduced by \$772 billion over 10 years under the Senate bill, compared with \$834 billion under the House bill, according to the CBO.

States could use waivers to roll back the ACA's requirements that insurers cover certain benefits, such as maternity care and mental-health services, and could use waivers to override the ACA's limits on out-of-pocket and lifetime medical costs.

The CBO estimated that about half the country's population would live in states that choose to use waivers that give insurers leeway to cover fewer services required by the ACA. Residents of those states who sought benefits that insurers no longer must cover would face "substantial increases" in their costs, the CBO said.

Republicans say the legislation is needed because the individual insurance markets under the ACA are struggling. About 47 counties in the U.S., or about 34,000 people, are at risk of having no insurer to pick from on the exchanges next year, according to an analysis by the Kaiser Family Foundation.

On Monday, Anthem Inc. said it believes that Senate bill will bolster the individual market, an endorsement that comes as many other insurers have suggested the legislation could undermine the ACA marketplaces.

Anthem said it believed the bill "will markedly improve the stability of the individual market and moderate premium increases" because it allots billions to help stabilize the

markets, eliminates a tax on health insurance plans and works on "aligning premium subsidies with premium costs."

The bill's reduction of the federal deficit by \$321 billion through 2026 is more than the House version, which the CBO estimated would curb the deficit by \$119 billion. Under Senate procedural rules, the bill must have at least as much of a deficit reduction at the legislation passed by the House. That leaves Senate Republican leaders with about \$200 billion they can add to the bill to get more lawmakers to support the legislation and still meet the same savings as the House version.

Mr. Trump met over the weekend with more than a half-dozen Senators, the White House said.

The bill is widely expected to be tweaked before any vote this week in an effort to woo reluctant Republican lawmakers into supporting the legislation.

Republican leaders remained optimistic Monday that they could iron out differences among GOP senators, including by adding funding for opioid treatment that was being sought by several centrist Republicans and a potential amendment from Mr. Cruz that would allow insurers to offer lower-priced plans that offered fewer benefits under certain circumstances.

One possibility to secure the vote of Lisa Murkowski of Alaska was an adjustment to the Medicaid funding formula for her state, a senior White House official said, adding that Alaska's uniquely high costs and large geography could justify such a move in the face of criticisms that the bill included state-specific "kickbacks."

—Natalie Andrews and Richard Rubin contributed to this article.

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Senate GOP health-care bill appears in deeper trouble following new CBO report (UNE)

<https://www.facebook.com/kelsey.snell.3>

9-11 minutes

Senate Republicans' bill to erase major parts of the Affordable Care Act would cause an estimated 22 million more Americans to be uninsured by the end of the coming

decade, while reducing federal spending by \$321 billion during that time, according to the Congressional Budget Office.

The forecast issued Monday by Congress's nonpartisan budget scorekeepers appeared to rapidly erode Republicans' confidence in the bill, with at least four GOP

lawmakers saying by the evening that they would vote against even starting debate on it.

By late Monday, several senators and aides appeared nervous and unsure about the path forward. They hedged on the timing of that procedural vote and suggested the workweek could stretch beyond Friday. Still, there was some hope for salvaging the effort, and GOP leaders were still looking for ways to make last-minute changes that might garner crucial support.

Yet the breadth of the resistance highlighted Majority Leader Mitch McConnell's increasingly difficult challenge.

The projection of uninsured numbers and federal spending had been awaited as a crucial piece of evidence while McConnell (Ky.) and other Republican leaders try to hurry a vote on the bill this week. They already were navigating an expanding minefield of criticism from their party's moderate and conservative wings.

The release of the 49-page CBO report late Monday afternoon seemed to worsen the bill's prospects. No new senators immediately said they would back the legislation, and Sens. Susan Collins (Maine), Rand Paul (Ky.) and Ron Johnson (Wis.) signaled that they would vote against starting debate Tuesday on the bill in its current form. A fourth senator, Dean Heller (R-Nev.), had expressed his opposition last week.

Collins, a moderate Republican, tweeted that the measure would "hurt [the] most vulnerable Americans" and failed to solve the problems of access to care in rural Maine where, she wrote, "hospitals are already struggling."

The Senate bill could undergo further changes before such a vote is scheduled, which could prompt these senators to reconsider. But if the Democrats vote as a bloc, McConnell can afford to lose no more than two Republicans for a procedural motion to succeed.

Asked whether McConnell and other Senate leaders had amassed enough support to pass the measure, Sen. Roy Blunt (R-Mo.) responded, "Anyone would tell you they don't."

The CBO estimated that two-thirds of the drop in health coverage a decade from now would fall on low-income people who rely on Medicaid. And among the millions now buying private health plans through ACA marketplaces, the biggest losers would roughly

parallel those under legislation passed recently by the House: The sharpest spike in insurance premiums would fall on middle-aged and somewhat older Americans.

Its analysis of the Senate measure's impact on federal spending — \$321 billion saved over a decade — compared with \$119 billion for the House's version.

See where the Senate health-care bill's subsidy cuts will affect Americans most

Paul labeled the Better Care Reconciliation Act "a terrible bill" and repeated his contention that it would not go far enough in repealing the sprawling health-care law enacted seven years ago by a Democratic Congress and president.

McConnell took to the Senate floor just before the report's release to press anew for rapid action. He made it clear that the bill, already tweaked early Monday, could be negotiated further to try to win over holdouts.

"The American people need better care right now," McConnell said. "This legislation includes the necessary tools to provide it."

Democrats quickly seized on the CBO's projection of how much the ranks of the uninsured would grow.

"Republicans would be wise to read it as a giant stop sign," Senate Minority Leader Charles E. Schumer (D-NY) told reporters. "No matter how the bill changes around the edges, it is fundamentally rotten at the center."

Former CBO director Doug Holtz-Eakin, a Republican who is now president of the American Action Forum, said the report draws basically the same conclusions as the budget office's earlier analysis of the House measure. He predicted that GOP senators are "going to get beaten on the head with the CBO report like it's a club."

The fresh figures come as President Trump, in a sharp pivot from the praise he initially lavished on the House bill, has been urging the Senate to provide Americans more generous help with health insurance. On Sunday, the president repeated during a "Fox and Friends" TV appearance a word he had used in a private White House lunch with a group of GOP senators earlier this month: that the House's version is "mean."

On Monday, the White House again sought to cast doubt on the budget office's credibility. "The CBO has consistently proven it cannot

accurately predict how healthcare legislation will impact insurance coverage," it said in a statement. "This history of inaccuracy, as demonstrated by its flawed report on coverage, premiums, and predicted deficit arising out of Obamacare, reminds us that its analysis must not be trusted blindly."

According to the latest report, the Senate bill would mean that an estimated 15 million fewer Americans would have coverage next year, compared with the number if the ACA, commonly called Obamacare, remained in place. At the end of the decade, the 22 million increase in the ranks of the uninsured would include 15 million low-income Americans who would otherwise be on Medicaid and 7 million with private insurance. That total is about a million less than the 2026 impact of the House plan.

The Senate plan would reduce federal spending to help people afford premiums for individual health insurance policies significantly more than under the House version. The Senate's version would cut spending on tax credits by \$408 billion by 2026 — compared with a \$276 billion reduction in the House plan. The difference lies, in part, because the Senate's version would not permit people with incomes as high to qualify for tax credits and would restrict federal help to health plans sold through the ACA's marketplaces. The Senate would tie the tax credits to skimpier health plans than the current subsidies.

And while the Senate bill would phase out the ACA's Medicaid expansion more slowly than the House legislation, cuts to the public insurance program for the poor still would account for by far the largest share of the reduction in federal spending under the Senate bill — \$772 billion over the coming decade. In a briefing for reporters, CBO staff members said that they had not analyzed the bill's effects on Medicaid cuts beyond the coming decade but that the reductions inevitably would be greater for a second decade.

While they differ in important details, both the Senate GOP's plan and the American Health Care Act narrowly passed by House Republicans in May share the goal of undoing central aspects of the ACA.

Both bills would eliminate enforcement of the law's mandate that most Americans carry health insurance, relying on subtler

deterrents to keep people from dropping coverage. The House version would let insurers temporarily charge higher rates to those who let their coverage lapse, while the Senate added a provision Monday that would let health plans freeze out customers for six months if they let it lapse.

In different ways, both would replace federal subsidies that help the vast majority of consumers buying coverage through ACA marketplaces, instead creating smaller tax credits that would provide greater assistance to younger adults while making insurance more expensive for people from middle age into their 60s.

Politics newsletter

The big stories and commentary shaping the day.

After two years, both also would end subsidies that now help about 7 million lower-income people with ACA health plans afford deductibles and copays. And both would repeal an array of taxes that have helped to pay for the ACA's benefits, including levies on health insurers and on wealthy Americans' investment income.

For the Senate bill, the CBO's estimates of insurance coverage and federal spending are influenced by the fact that its forecast covers a 10-year window and the legislation's most profound changes for the nation's health-care system are tilted toward the latter part of that period.

The bill would, for instance, leave in place the ACA's expansion of Medicaid through 2020. After that, it would begin a three-year phaseout of the federal money that under the ACA has paid almost the entire cost of adding 11 million Americans to the program's rolls in 31 states.

That means the extra funding wouldn't disappear until the mid-2020s — roughly when sharp new restrictions on federal payments for the entire Medicaid program would take effect.

Over the weekend, the senior Democrat on the Senate subcommittee that oversees the CBO said in a tweet that he had asked the budget office to estimate the Senate bill's effect on insurance coverage over a longer time horizon. "GOP is hiding the worst Medicaid cuts in years 11, 12, 13 and hoping CBO stays quiet," Sen. Chris Murphy (D-Conn.) wrote.

Thomas Kaplan and Robert Pear
10-13 minutes

Doug Mills/The New York Times

WASHINGTON — The Senate bill to repeal the Affordable Care Act was edging toward collapse on Monday after the nonpartisan Congressional Budget Office said it would increase the number of people without health insurance by 22 million by 2026.

Two Republicans, Senators Susan Collins of Maine and Rand Paul of Kentucky, said Monday that they would vote against even debating the health care bill, joining Senator Dean Heller of Nevada, who made the same pledge on Friday. Senator Ron Johnson of Wisconsin hinted that he, too, would probably oppose taking up the bill on a procedural vote expected as early as Tuesday, meaning a collapse could be imminent.

"It's worse to pass a bad bill than pass no bill," Mr. Paul told reporters.

Ms. Collins wrote on Twitter on Monday evening that she wanted to work with her colleagues from both parties to fix flaws in the Affordable Care Act, but that the budget office's report showed that the "Senate bill won't do it."

The report left Senator Mitch McConnell of Kentucky, the majority leader, with the unenviable choices of changing senators' stated positions, withdrawing the bill from consideration while he renegotiates, or letting it go down to defeat — a remarkable conclusion to the Republicans' seven-year push to repeal President Barack Obama's signature domestic achievement.

But the budget office put Republicans in an untenable position. It found that next year, 15 million more people would be uninsured compared with current law. Premiums and out-of-pocket expenses could shoot skyward for some low-income people and for people nearing retirement, it said.

The legislation would decrease federal deficits by a total of \$321 billion over a decade, the budget office said.

Mr. McConnell, the chief author of the bill, wanted the Senate to approve it before a planned recess for the Fourth of July, but that looks increasingly doubtful. Misgivings in the Republican conference extend beyond just a few of the most

moderate and conservative members, and Mr. McConnell can lose only two Republicans.

At least some of Ms. Collins's concerns could be shared by Senators Lisa Murkowski of Alaska and Shelley Moore Capito of West Virginia, whose rural states would face effects similar to those in Maine.

"If you were on the fence, you were looking at this as a political vote, this C.B.O. score didn't help you," said Senator Lindsey Graham, Republican of South Carolina. "So I think it's going to be harder to get to 50, not easier."

He added, "I don't know, if you delayed it for six weeks, if anything changes."

Under the bill, the budget office said, subsidies to help people buy health insurance would be "substantially smaller than under current law." And deductibles would, in many cases, be higher. Starting in 2020, the budget office said, premiums and deductibles would be so onerous that "few low-income people would purchase any plan."

Moreover, the report said, premiums for older people would be much higher under the Senate bill than under current law. As an example, it said, for a typical 64-year-old with an annual income of \$26,500, the net premium in 2026 for a midlevel silver plan, after subsidies, would average \$6,500, compared with \$1,700 under the Affordable Care Act. And the insurance would cover less of the consumer's medical costs.

Likewise, the report said, for a 64-year-old with an annual income of \$56,800, the premium in 2026 would average \$20,500 a year, or three times the amount expected under the Affordable Care Act.

The budget office report was a major setback to Senate Republican leaders, but it was too early to declare the legislation dead, and turmoil in health insurance markets could still induce Congress to take action this year. Many people thought the House repeal bill was dead after Speaker Paul D. Ryan pulled it from the floor on March 24, but a slightly revised version was narrowly approved by the House six weeks later.

Senator John Thune of South Dakota, a member of the Republican leadership, suggested that leaders would press forward with the Senate bill. He said that an

argument could be made for delaying it "if you thought you were going to get a better policy," but that that was not the case.

"This is the best we can do to try and satisfy all the different perspectives in our conference," Mr. Thune said, adding that he did not think the politics would improve by waiting. "It's time to fish or cut bait."

Fact Check: The Senate Health Care Plan

Does the health care bill in the Senate live up to Republicans' promises? We checked the facts.

By DAVE HORN and NATALIE RENEAU on June 26, 2017. Photo by Doug Mills/The New York Times. Watch in Times Video »

The White House discounted the report, saying the budget office had "consistently proven it cannot accurately predict how health care legislation will impact insurance coverage."

The Trump administration says the Senate Republican bill would not cut Medicaid because spending would still grow from year to year. But the Congressional Budget Office said that the bill would reduce projected Medicaid spending by a total of \$772 billion in the coming decade, and that the number of people covered by Medicaid in 2026 would be 15 million lower than under current law.

In 2026, it said, Medicaid spending would be 26 percent lower than under current law, and enrollment of people under 65 would be 16 percent lower. Beyond 2026, Medicaid enrollment would keep declining compared with what would happen under current law.

The Senate bill would make it much easier for states to obtain waivers exempting them from certain federal insurance standards, like those that require insurers to provide a minimum set of health benefits. The budget office said that nearly half of all Americans could be affected by these cutbacks in "essential benefits," and that as a result, coverage for maternity care, mental health care, rehabilitation services and certain very expensive drugs "could be at risk."

Before the budget office released its report, the American Medical Association had announced its opposition to the bill, and the National Governors Association had cautioned the Senate against moving too quickly.

The budget office's findings immediately gave fodder to Democrats, who were already assailing the bill as cruel. Senator Chuck Schumer of New York, the Democratic leader, said Senate Republicans had been saying for weeks that their bill would be an improvement over the House bill, which President Trump had described as "mean."

The budget office had found that under the House bill, the number of people without health insurance would increase by 23 million by 2026 — only slightly more than the 22 million projected for the Senate bill.

"C.B.O.'s report today makes clear that this bill is every bit as mean as the House bill," Mr. Schumer said. "This C.B.O. report should be the end of the road for Trumpcare. Republicans would be wise to read it like a giant stop sign, urging them to turn back from this path that would be disastrous for the country, for middle-class Americans and for their party."

The criticism was not confined to the Democratic caucus. Mr. Johnson, one of five Senate Republicans who said last week that they could not support the bill as drafted, told a radio host that Senate leaders were "trying to jam this thing through." He, too, suggested he would not vote even to begin debating the bill.

"I have a hard time believing I'll have enough information for me to support a motion to proceed this week," Mr. Johnson said later on Monday.

Beyond the number of Americans without insurance, the Senate bill's \$321 billion in deficit reduction is larger than the \$119 billion that the budget office found for the bill that passed the House.

Earlier Monday afternoon, Senate Republican leaders altered their bill to penalize people who go without health insurance by requiring them to wait six months before their coverage would begin. Insurers would generally be required to impose the waiting period on people who lacked coverage for more than about two months in the previous year.

The waiting period was meant to address a notable omission in the Senate's bill: The measure would end the Affordable Care Act's mandate that most Americans have health insurance, but also require insurers to accept anyone who

applied. The proposal is supposed to prevent people from waiting until they get sick to buy a health plan. Insurers need large numbers of healthy people, whose premiums help defray the cost of care for those who are sick.

Under one of the most unpopular provisions of the Affordable Care

Act, the government can impose tax penalties on people who go without health coverage. Republicans have denounced this as government coercion.

The repeal bill passed by the House last month has a different kind of incentive. It would impose a 30 percent surcharge on premiums for

people who have gone without insurance.

Mr. Trump wrote on Twitter on Monday that Republican senators were "working very hard to get there" but were not getting any help from Democrats.

"Not easy! Perhaps just let OCare crash & burn!" Mr. Trump wrote,

reiterating his assertion that the Affordable Care Act would be doomed if Congress did not come to its rescue.

POLITICO Republicans eye billions in side deals to win Obamacare repeal votes

Josh Dawsey

5-6 minutes

White House and Capitol Hill officials are exploring potential deals to divvy up billions of dollars to individual senators' priorities in a wide-ranging bid to secure votes for the imperiled GOP health care bill.

A Congressional Budget office score that projected 22 million fewer Americans would have insurance under the plan sent some members fleeing Monday and left the bill in jeopardy of failing to have enough votes to even be called to the Senate floor this week.

Story Continued Below

But Republicans in the White House and in Congress were pleasantly surprised that the bill included more savings than they expected — and are trying to figure out if they can dole it out for votes.

The Senate has about \$188 billion to play with.

Among the possible changes: More spending for health savings accounts to appease conservatives such as Sen. Ted Cruz and Sen. Mike Lee, according to three people familiar with the matter, and some additional Medicaid and opioid spending for moderates.

"We are still working with leadership to change the base bill," a Lee aide said.

Lee, Cruz and others on the right have been looking to wipe out as much of Obamacare as possible and replace it with health savings accounts, group plans and selling insurance across state lines, among other ideas. It's not clear if the Senate parliamentarian would allow all of those proposals through under strict reconciliation rules. And Lee will likely require far more dramatic changes to be won over.

Meanwhile, senators from Medicaid expansion states huddled after the CBO score revealed the nearly \$200 billion in savings to see if they could get GOP leaders to put more money into Medicaid and to thwart drug addiction. Those modifications may take place on the Senate floor, but Republicans are divided on how to use the money.

Negotiations are likely to continue quickly behind the scenes over the next 24 hours and could draw the ire of good government groups and advocates. Republicans hammered Democrats for supposedly crafting Obamacare in secret seven years ago and for handing out goodies to wavering Democratic senators.

But the GOP bill has been roundly criticized for being negotiated and

written in secret — and the final terms are leaving even some Republicans queasy.

One Senate aide said that Tuesday would be "all about side deals," and another person familiar with the discussions said Senate Majority Leader Mitch McConnell had already begun talking about private deals.

"There's no one-size-fits all to getting these people on board," said one White House official. "Each of them want different things and we have to figure out if there is a path."

Defenders of the bill note that Obamacare's markets are struggling and the coverage losses are partially due to people choosing not to buy coverage, because there would no longer be a government mandate.

Any changes to appease moderates could face severe blowback from conservatives.

"There are some people who have some designs on that," said Sen. John Thune, a South Dakota Republican. "It wouldn't be a bad thing if we put the money toward deficit reduction."

The bill remains in peril. It is also unclear whether there is enough money to give out that could win over the divided GOP conference.

Time is of the essence.

McConnell has said he wants a vote this week no matter what, even as some White House officials have said they wouldn't mind a delay and are fearful the votes aren't there with the current legislation.

"You could make an argument for delaying it if you could get a better policy but this is the best we could do to satisfy all the different aspects of our conferences," Thune said.

"There's no reason not to get this done this week," said Sen. Roy Blunt of Missouri. "And the CBO score was a little better than I thought it would be."

White House officials said they were increasingly looking to Sen. Rand Paul (R-Ky.) and Sen. Dean Heller (R-Nev.) — and if the two maintained their opposition, the bill was likely dead. Senate leadership has largely written off Paul, and a Trump outside group has begun attacking Heller, drawing some head-scratching from Senate aides.

Tim Alberta contributed to this report.

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THE WALL STREET JOURNAL

Editorial : The Senate's Health-Care Hour

Updated June 26, 2017 10:39 p.m. ET 227 COMMENTS

6-7 minutes

Senate Republicans are headed for a vote on their health-care bill as soon as this week, and Majority Leader Mitch McConnell is still scrambling for 50 votes. What the holdouts should understand is that this is a defining political moment. They may never have a better chance to improve U.S. health care and reform government, and the window is closing.

Repairing the failing individual insurance market, putting Medicaid on budget for the first time in the

entitlement's history, and passing an enormous pro-growth tax cut are historic opportunities. If reluctant GOP Senators think they won't be held accountable for a defeat, they should think again.

Moderates like Ohio's Rob Portman and West Virginia's Shelley Moore Capito remain nervous about the bill's Medicaid overhaul, but the block grant model is the kind of fiscal progress they normally claim to want. The budget will never balance, and debt will continue to accumulate, if Congress can't modernize entitlements. Mr. Portman already won an extension to four years from three in the House bill for the start of phasing out Obama Care's Medicaid

expansion, and many Senators represent states that didn't expand.

Liberals call block grants heartless, but ObamaCare increased Medicaid enrollment by 29% to 74.5 million Americans—one of four citizens—in a program originally meant for poor women and the disabled. Equalizing payments for these traditional beneficiaries and ObamaCare's new able-bodied adult enrollees above the poverty line is uncaring only in liberal caricature. The real scandal is Medicaid's poor health outcomes and a funding formula that doesn't encourage states to prioritize the neediest Americans.

Conservatives such as Ted Cruz of Texas, Rand Paul of Kentucky, Mike Lee of Utah and Ron Johnson

of Wisconsin claim the bill doesn't do enough to lower insurance premiums by repealing every mandate and regulation that artificially drives up costs. Their objections are principled but no bill will ever be perfect and most of their ideas don't now command a Senate majority.

On policy substance, the Senate bill gives Governors the regulatory flexibility to upgrade their insurance markets. Even if the bill isn't everything conservatives imagine, no one can credibly claim it isn't deregulatory progress. ObamaCare created a rule-making pathway supposedly meant to encourage state innovation, but these so-called 1332 waivers are highly prescriptive in statute and the Obama

Administration tightened them even more through regulation. Among the four states that applied, only a single waiver was approved.

The Senate bill would fast-track 1332 applications and expand their scope to include items like the definition of a "qualified health plan," minimum benefits or limits on purchasing catastrophic health plans. The Senate waivers are far more comprehensive than the House's Meadows-MacArthur amendment, and any Governor who wants to experiment with market solutions and roll back overregulation will be liberated from federal command and control.

The Trump Administration would rapidly start to restore the traditional state regulatory authority over insurance. Waiver critics say a Democratic successor could take back freedoms not codified in law. But federalist devolution will be hard to reverse if Governors can show they can make

premiums more affordable, improve the incentives for insurers to rejoin a more robust market and increase insurance without mandates.

The Congressional Budget Office on Monday released its cost-and-coverage estimate of the Senate bill, and opponents are touting its guess of 22 million fewer insured people compared to ObamaCare. But CBO's forecasts always underestimate the benefits of markets, and the real news is that the scorekeepers expect premiums to fall by 30% by 2020 than under current law. The GOP can deliver tangible financial gains to the millions failed by ObamaCare.

These are enormous conservative policy victories, even if they aren't everything we or other free-marketeers would like. Democrats built the entitlement state piecemeal over decades, and it will have to be reformed in pieces that are politically sustainable.

Some Senators can't be placated on substance and they may decide that defeating the bill is better for them politically. This is pure fantasy. Democrats won't ease their opposition to Nevada's Dean Heller in 2018 if he votes no. They'll double their investment against him as Mr. Heller's political base sours on him. When you face a tough political choice, better to stick with your friends than bet on the kindness of political enemies.

Another fantasy is that Republicans can vote no and blame Democrats for the collapsing ObamaCare status quo. The media will blame Republicans for every premium hike, and voters believe they elected a GOP Congress and President. If this bill fails Republicans will be forced to come hat in hand to Chuck Schumer's Democrats for the votes to stop a downward spiral of surging premiums and declining choices.

Conservative reform won't be included.

The larger and rarer opportunity is to show that conservative ideas can succeed in health care. More progress is possible as voters come to trust Republican solutions, but not if the GOP now panics into defeat. Senator Johnson entered politics to oppose ObamaCare. Is he really going to squander this chance to make his detour into politics worthwhile?

Every consequential legislative reform is difficult, but the GOP anxiety over repeal and replace is excessive. They should have more confidence in their convictions and how their solutions can improve American lives.

Appeared in the June 27, 2017, print edition.



Editorial : Want to know the worst thing about the GOP's health-care bill?

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

5-6 minutes

The Post's View

Opinion

Opinion A column or article in the Opinions section (in print, this is known as the Editorial Pages).

By Editorial Board

The Post's View

Opinion

Opinion A column or article in the Opinions section (in print, this is known as the Editorial Pages).

June 26 at 7:09 PM

THE OFFICIAL numbers on the Senate health-care bill are in, and they are grim: The Congressional Budget Office (CBO) found Monday that the Better Care Reconciliation Act would result in 22 million fewer people with health-care coverage in a decade. "By 2026, an estimated 49 million people would be uninsured, compared with 28 million who would lack insurance that year under current law," the experts concluded.

These figures may seem like a slight upgrade

relative to the House's repeal-and-replace bill, which the CBO estimated would cut even more people from coverage rolls. But make no mistake: Every one of those 22 million is gratuitous. Leaving things the way they are would result in none of these losses, according to the CBO.

The CBO also concluded that the coverage people would get under the Senate bill would be significantly worse. Though average premiums for benchmark plans may eventually drop under the Senate bill, these would be offset by high deductibles — about \$6,000 for a single person enrolled in a benchmark plan after 2020, the analysts projected — and the retraction of subsidies to help people pay such costs. "Some people enrolled in nongroup insurance would experience substantial increases in what they would spend on health care," the CBO found. "As a result, despite being eligible for premium tax credits, few low-income people would purchase any plan." Older people, too, would feel the pain, as the bill would allow their premiums to rise.

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Meanwhile, enrollment in Medicaid, the state-federal program for the poor and near-poor, would decline by 15 million by 2026, as the GOP bill cut \$772 billion in spending on the program, and the CBO expects enrollment would continue to fall after that. Many people who had gotten comprehensive Medicaid coverage would have to fall back on the shoddier individual insurance market described above. The difference would be huge: The former Medicaid enrollees would likely get coverage they could not afford to use, if they bought insurance at all.

Yet perhaps nothing in the CBO's analysis was more damning than its conclusion that none of this disruption is needed. The current system is not perfect, but it is also not collapsing. Though the CBO acknowledged that "premiums have been rising under current law," it projected "sufficient demand for insurance by enough people, including people with low health care expenditures, for the market to be stable in most areas." The Senate bill's system, meanwhile, would struggle to serve people in sparsely populated and other difficult-to-cover areas, just as the Affordable Care Act has. Obamacare requires fixes, not a destabilizing "rescue." The Senate bill contains provisions to shore up

the existing system before transitioning to the shoddier one. It should just pass the fixes and move on.

The nonpartisan Congressional Budget Office released its analysis of the Senate GOP's health-care bill on June 26. Here are its key estimates for how the plan would impact Americans' health insurance coverage and costs. Here are the Congressional Budget Office's key estimates for how the Senate health-care plan would impact Americans' health insurance coverage and costs. (Jenny Starrs, Daron Taylor/The Washington Post)

(Jenny Starrs, Daron Taylor/The Washington Post)

Republicans pre-spun the CBO score by arguing that Congress's official scorekeepers could not be trusted. Health and Human Services Secretary Tom Price said Sunday that the CBO does "a relatively poor job on what the coverage consequences of a health plan are." Projections are hard, but neither Mr. Price nor anyone else has produced any that are more credible. In fact, the CBO's record on forecasting the effects of Obamacare is respectable. And its analysts would have to be fantastically wrong for either of the Republican health-care bills to look good.



Editorial : If there's a smart path to single payer healthcare in California, we haven't found it yet

State Sen. Ricardo Lara, D-Bell Gardens, accompanied by members of the California Nurses Association, discusses his single-payer health care bill at a Capitol news conference on May 31 in Sacramento, Calif. (Rich Pedroncelli / Associated Press)

California Assembly Speaker Anthony Rendon did the state a favor late Friday afternoon when he slammed the brakes on a fast-moving Senate bill to create a single-payer healthcare system in California. As should be obvious from the flailing Republican efforts in Washington, it's easy to talk about drastic changes in the way healthcare is financed, but hard to make those changes work without hurting many of the people you're trying to help.

Dubbed the Healthy California Act, SB 562 by Sens. Ricardo Lara (D-Bell Gardens)



Roy : The Senate Saves the 10th Amendment

Avik Roy

For decades American conservatives have sought to restore meaning to the 10th Amendment, which recognizes the states' right to manage their affairs free from Washington's interference. Passing the Republican Senate's health-care bill would represent historic progress toward that goal.

In nearly every state, Medicaid is either the largest or second-largest budget line, as well as the fastest-growing category. Every year state lawmakers, trying to carry Medicaid's heavy burden, are forced to make difficult choices about what else to cut: education, roads, public safety.

Especially frustrating is that state officials have little control over how to manage their Medicaid programs. The 1965 Medicaid law contains dozens of limits on what states can do to avoid waste, fraud and abuse. In the half-century since, Washington has added to that burden with more laws and

and Toni Atkins (D-San Diego) would create a first-in-the-nation state insurance program to replace all private insurers and, if possible, public programs as well. Its laudable goal is to make healthcare in California universally available and more cost-effective by eliminating the complexity and costs imposed by the current system of multiple private and public insurers.

SB 562, which the California Nurses Assn. sponsored, ducks the question of costs entirely.

It's understandable why lawmakers would look for a way to shield their constituents from the disastrous coverage losses that are sure to happen if the congressional bills to "repeal and replace" the ACA and slash Medicaid become law. But the last state to try to create a single-payer system — Vermont — abandoned the effort in 2014 because of the huge projected cost to taxpayers.

SB 562, which the California Nurses Assn. sponsored, ducks the question of costs entirely, saying simply that the system it would create cannot go into effect until the

regulations.

Governors and state legislatures ask Washington every year for the right to receive their Medicaid funds in the form of a block grant, which would give them autonomy to manage the spending as they see fit. The Senate bill, for the first time, would allow that.

States that forgo the block grants would still receive additional flexibility through per capita allotments, an idea first proposed by President Clinton in 1995. The Senate bill would limit the growth of federal spending on each able-bodied enrollee to the rate of medical inflation, and on elderly and disabled enrollees to medical inflation plus 1%. After 2025, per-enrollee spending would be tied to overall inflation. The net effect would be to reduce overall federal spending on the pre-ObamaCare Medicaid program by up to 2% from projected levels over the next 10 years.

In exchange for putting Medicaid on a budget, states would gain substantial latitude to use funds more efficiently. Example: Thanks to ObamaCare, states are permitted to verify a recipient's eligibility for Medicaid only once a year. As a

state finds a way to pay for it — as if the cost issue were somehow separate from the question of how to run a single-payer system. It is, in fact, integral. Just look at Medi-Cal, the state's \$103-billion Medicaid program, which placed so much pressure on the state budget that lawmakers cut back services, eligibility and arguably the quality of care provided. The proposed single-payer system would dwarf the size of Medi-Cal.

The nurses union has countered with a study it financed showing that a single-payer system would actually save the state money. The public should be no less skeptical of this research than of any single study financed by any other stakeholder group.

But the cost issue is just the most obvious one posed by the proposal. Others revolve around the question of what care the state will pay for — the bill says whatever is "medically necessary," but it doesn't define what that means — and how much the state will pay for it. If the state is the only entity negotiating with doctors and hospitals, how does it pay enough to keep them here and

afloat while still doing more than the current system to hold down the rapid growth in medical costs?

How would the state avoid becoming the go-to destination for anyone outside of California who needs care but can't afford it? How would it integrate people who are eligible for Medicare and employer-provided retiree benefits for which they'd already paid?

These are all difficult questions that involve important policy choices. Yet the measure — which is barely 35 pages long — is so light on detail, it leaves those issues unresolved. And it blitzed through the Senate after only two committee hearings. That's not legislating, that's posturing. There's an enormous amount of legislative spade work to be done to determine whether single payer is the right direction for California, and if so, to design a feasible system. If lawmakers really wants to pursue this, they need to get serious.

result, scarce dollars continue going to people who become ineligible. Of the 10% (or more) of Medicaid spending that is improper, the majority goes to ineligible recipients, according to the Foundation for Government Accountability and the Centers for Medicare and Medicaid Services.

The Senate bill would liberate states from many other ObamaCare burdens. It would oblige the Secretary of Health and Human Services to grant all state waiver requests unless they increase federal spending, and to issue a final decision on waiver applications within six months of receiving them. Under current law, waivers are at the secretary's discretion and there is no deadline.

The new waiver process would let states reduce premiums and health-care costs by bypassing a broad array of ObamaCare provisions, including benefit mandates and requirements that all individual policies be part of a single risk pool. Waivers would last eight years, with the option to renew.

All of this new flexibility would substantially improve Washington's fidelity to the 10th Amendment. It would give governors and state

legislators the ability to reduce health-care costs for those who've struggled in the ObamaCare era. It would help them devote limited resources to those most in need.

There's always more to be done. To the degree Republican senators can further expand state flexibility without running afoul of Senate parliamentary rules, they should do so. For one thing, the federal Medicaid law prohibits states from making eligibility changes prospectively—meaning they cannot make changes for future enrollees while grandfathering in current ones. Senators should consider amending their bill to eliminate this constraint.

But even in its current form, the GOP health-reform effort represents the greatest expansion of state sovereignty in generations. It's one of the primary reasons the left hates the bill and one of the most important reasons conservatives should support it.

Mr. Roy, president of the Foundation for Research on Equal Opportunity, was a policy adviser to Mitt Romney, Rick Perry and Marco Rubio.

Appeared in the June 27, 2017, print edition.



Robinson : Is the GOP trying to repeal and replace itself?

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erobinson.columnist

This is a week to keep focused on the most urgent question in domestic policy and politics: Will Republicans snatch health insurance from millions of Americans and slash the vital Medicaid program by \$770 billion, all to enable massive tax cuts for the wealthy and powerful?

Plenty of other news is vying for attention. President Trump spent Monday morning venting on Twitter about how President Barack Obama did “NOTHING about Russia” and its election meddling — despite Trump’s frequent claims that the whole Russia controversy is “fake news” and a Democratic Party “hoax.” The Supreme Court has agreed to rule on Trump’s travel ban, which lower courts have deemed unconstitutional; and to decide whether business owners who claim religious objections to same-sex marriage can refuse to provide goods or services for gay couples’ weddings.

There’s much to say about all of those topics, and there will be occasions to say it. But meanwhile Senate Majority Leader Mitch McConnell (R-Ky.) is trying to ram through legislation that would return us to the days when hard-working families had to choose between seeing a doctor and paying the rent

— legislation that will surely cost lives.

Today’s Headlines newsletter

The day’s most important stories.

The House has already passed the American Health Care Act, which Trump described as “mean” and lacking “heart.” The Senate bill is no more compassionate. If Trump really meant what he said, he’d insist that Congress abandon its effort to repeal and replace Obamacare and instead work across party lines to fix it. Or perhaps he might convene a panel of experts to design a truly universal system of health coverage from the ground up. I expect these things to happen shortly after pigs begin to fly.

One thing we have learned about Trump is that he will always choose politics over policy. He and the GOP ran on a categorical promise to obliterate Obama’s Affordable Care Act, and the president is desperate for a big legislative victory.

Accordingly, he doesn’t much seem to care what’s in the Senate bill — or even if it actually repeals the ACA. Conservative doubters such as Sens. Rand Paul (Ky.), Mike Lee (Utah), Ted Cruz (Tex.) and Ron Johnson (Wis.) say it doesn’t. Moderate GOP senators are

complaining privately that the bill goes too far. It is not at all certain that McConnell, who is pushing hard for a vote this week, will be able to get the needed 50 (out of 52) Republican senators to vote yes.

But it’s also not clear that he will fail. That is why concerned citizens must make it known that the politics of this atrocious legislation are every bit as hazardous for the Republican Party as the underlying policies would be for the health of the nation.

Trump tries to claim that Democrats “own” the Affordable Care Act, which is about to “crash & burn,” and that perhaps Republicans ought to let this disaster happen and reap the resulting political benefit. His loyal base may buy this line of argument, but the historical record disagrees.

The fact is that the party that tries to make substantial changes in health-care policy owns the issue and gets blamed for everything that goes wrong. Veterans of the Johnson, Nixon, Clinton and Obama administrations bear the resulting scars — and they all tried to *expand* access to affordable health care, not shrink it. According to the Congressional Budget Office, the House bill would snatch insurance

coverage away from 14 million people within a year, 23 million within a decade; the CBO estimated Monday that the Senate bill would mean 22 million more people would be uninsured. Does anyone think this will go over well?

Health care, as a political issue, is both universal and intensely personal. Voters whose households are not directly affected by whatever Congress and Trump end up doing will hear of friends, relatives and neighbors who lose their insurance despite having critical health-care needs. One sick child’s heartbreaking story has more impact than a dozen Heritage Foundation white papers.

Republicans worry about having spent seven years promising to “repeal and replace” the ACA and then failing to follow through. But if they do take the leap, Democrats competing in the 2018 midterms will be able to turn that slogan around with a clarion call to “repeal and replace” the American Health Care Act, or whatever the final legislation ends up being called.

Republicans have no great political options here, so maybe they should just do what is right: stop sabotaging Obamacare and start working with Democrats to make it better.



Rampell : How the Republicans’ health-care plan betrays Republicans’ own principles

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book.com/crampell

5-6 minutes

The Senate Republicans’ health-care plan, like the House Republicans’ health-care plan, is objectively terrible.

It would result in 22 million Americans losing insurance. It would dramatically raise premiums for the poor and old. Its Medicaid cuts would harm people with disabilities, nursing home residents and even babies.

But we knew all that was coming.

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The surprising thing about this bill is not that it forsakes the indigent, elderly and vulnerable. It’s that it forsakes so many of the Republicans’ own vaunted values.

As cases in point, here are three Republican health-care principles violated by the Republicans’ own health-care plan.

Principle No. 1: Return power to the states.

For years Republicans complained that Obamacare crimps states’ style. Federalism must reign supreme, they argued, and so they promised to enhance state sovereignty.

And it’s true that the Senate bill makes it easier for states to opt out of some Obamacare rules designed to protect consumers (e.g., capping out-of-pocket spending).

But in some critical ways, it also severely *undermines* state sovereignty.

The most important of these has to do with insurance plans that can be purchased by small businesses. Under current law, an association of small businesses (e.g., a bunch of dental practices) can market insurance to its members. The coverage must be regulated by the state insurance department under the rules of the state in which it’s sold.

Not so under the Senate bill, which allows this same association to choose any state it wishes to be its

insurance regulator. It can choose, for example, to be regulated by states that no longer require coverage of prescription drugs.

This would create a race to the bottom. It would also mean states would no longer have a say over what plans were sold within their borders. State officials might not even be able to block the sale of an insurance plan in their state if the insurer were insolvent, explains Timothy Jost, professor emeritus at Washington and Lee University School of Law.

This is hardly the only way in which the Senate bill would take power away from states. For instance, it would also place new restrictions on how states can finance their own Medicaid programs.

Principle No. 2: Emphasize access to health care, not health insurance coverage.

Republicans have long bellyached that rising insured rates are misleading. Their argument: Having insurance coverage is meaningless if your deductible is so enormous that you can’t afford to see the doctor!

It’s a fair point. But the Senate bill does nothing to improve access to care. In fact, it places care further out of reach.

It does this not only by causing people to lose insurance coverage and raising after-tax premium prices, but also by making “insurance coverage” an even *less* useful gauge of whether a person can afford to see a doctor.

That’s because the bill pegs subsidies available on the individual market to plans that cover a much smaller fraction of expected health costs (58 percent, rather than 70 percent under Obamacare). In more practical terms: Out-of-pocket costs for people with insurance are going to go way, way up.

For example, for those near the poverty line buying plans on the individual exchanges, deductibles would rise more than 2,000 percent, from \$255 to over \$6,000, according to a Kaiser Family Foundation analysis.

Some health experts have wondered aloud whether this means doctors, fearing bad debt from people in these ultra-high-

deductible plans, would refuse to even see such patients. Such a problem would be made worse by the fact that Republicans plan to blacklist the country's largest provider of reproductive health services.

Which brings me to the last major principle they've violated . . .

Principle No. 3: Give consumers more choices.

**The
New York
Times**

Roy : The Senate's Secretly Bipartisan Health Bill

Avik Roy

6-7 minutes

In 2010, when Democrats passed the Affordable Care Act, Republicans complained that they did so with no Republican support. Democrats responded by pointing out that the centerpiece of their plan — tax credits to buy private insurance — came from a Republican governor, Mitt Romney of Massachusetts.

Something similar is happening today. Democrats are denouncing the partisan nature of the Republican effort to repeal and replace Obamacare. They're right to note that if the new bill passes the Senate, it will do so along party lines.

But the core planks of the Senate Republicans' health bill — the Better Care Reconciliation Act — borrow just as much from Democratic ideas as Obamacare borrowed from Republican ones.

The Senate bill's plan to reform Medicaid by tying per-enrollee spending to medical inflation through 2025 and to consumer inflation thereafter was borrowed from a nearly identical 1995 proposal by President Bill Clinton. Indeed, the main difference between the Clinton proposal and the Republican one is that the Clinton proposal would have tied per-enrollee spending to growth in the gross domestic product. Historically, medical inflation has been higher than G.D.P. growth.

Forget making sure plans offer an adequate number of "choices" of doctors. This bill would lock millions of people out of the "choice" of Medicaid.

It would make individual market premiums, even after including subsidies, prohibitively expensive, effectively locking millions out of the "choice" of individual insurance, too.

The Senate bill replaces the A.C.A.'s Medicaid expansion with a robust system of tax credits for which everyone under the poverty line is eligible. Under Obamacare, you could enroll in private insurance exchanges only if your income exceeded the poverty line.

Mitch McConnell, the Senate majority leader, meeting with Republicans about the health care bill on Thursday. Doug Mills/The New York Times

The tax credit system employed in the Senate Republican bill is stronger than the A.C.A.'s, because it adjusts the value of the credits not only to benefit those with low incomes but also to encourage younger people to enroll in coverage.

If the Republican plan increases participation by the young, premiums will become more affordable for everyone, because insurers set premiums to reflect an average of the costs of covering everyone who signs up for a given insurance plan. If only older people sign up, average costs in the plan are higher, leading to higher premiums. If young and old sign up, average costs are lower, and premiums go down.

The bipartisan heritage of the bill does not eliminate areas of philosophical disagreement between conservatives and progressives. It increases the role of private insurers, and decreases the role of state-run Medicaid programs in covering the uninsured. It reduces federal spending on health

In fact, for some unlucky people, subsidized individual plans would disappear entirely. That's because the Senate bill says that people offered any employer coverage would become ineligible for subsidized insurance on the exchanges — even if they can't actually afford the plan their employer offers.

I suppose lots of sick people will newly have the "choice" of buying

care, whereas Obamacare increased it. The Senate bill repeals or rolls back all of the A.C.A.'s tax increases.

But think about it this way. Imagine an alternate universe in which, in 2009, Democrats and Republicans passed a bipartisan health bill. That bipartisan bill — let's call it the Baucus-Collins Act — expanded coverage to tens of millions of Americans through a system of means-tested, age-adjusted tax credits in a voluntary-but-regulated individual insurance market where insurers were required to charge the same premiums to the sick and the healthy and guarantee coverage for those with pre-existing conditions.

In the Baucus-Collins Act, this increased spending on the uninsured was paid for through reforms of the Medicare program. In addition, the alternate-universe bill enacted a near-replica of Mr. Clinton's proposal for Medicaid reform in order to make the program fiscally sustainable over the long term. The act also capped the previously unlimited tax break for employer-sponsored health insurance, albeit at a high threshold.

Democrats and Republicans would be celebrating historic reforms that expanded coverage in a fiscally responsible way. Both blue states like California and red states like Texas would see substantial coverage gains. And we might be talking about further bipartisan efforts to strengthen the Baucus-Collins Act.

an expensive plan that covers none of the services they need. So there's that.

When all's said and done, there's just one major Republican health-care principle this bill remains loyal to: tax cuts for the rich.

That's not actually a health-care principle, you say? Could have fooled me.

What I've just described as a bipartisan achievement is, in effect, the synthesis of Obamacare and the Senate Republican health care bill. Under this combination of reforms, states like Texas and Florida — states that didn't expand Medicaid — could see substantial coverage gains, because residents would be eligible for the Senate bill's means-tested tax credits.

It's likely that, if the Senate bill passes, more Americans will have health insurance five years from now than do today.

The Congressional Budget Office believes that solely because Republicans would repeal the A.C.A.'s individual mandate, by 2026, more than 15 million fewer people will buy health insurance, regardless of what senators do to direct more financial assistance to the poor and the vulnerable. That's not a flaw in the Senate bill; it's a flaw in the C.B.O.'s methods.

There are areas of the Senate bill that should be improved. Republicans should appropriate additional funds to help low-income enrollees afford their deductibles. States could choose to deploy these additional funds either as direct cost-sharing subsidies or as health savings accounts that individuals would themselves control.

But make no mistake: If the Senate passes this bill, after the partisan noise has died down, we will look at the 2010s as a period of substantial progress in American health care.

**The
New York
Times**

Leonhardt: A Vote of Conscience and Courage

David Leonhardt

5-7 minutes

Forget for a minute about partisan labels and listen to members of the United States Senate talk about why they work in politics.

Rob Portman talks about a 16-year-old constituent who died of a drug

overdose — and about honoring his life by fighting drug use. Lisa Murkowski talks about protecting children from fetal alcohol disorders, and Lamar Alexander speaks about premature babies.

There are many more stories like these, and they're not only for show. They reflect deeply held beliefs that senators have about themselves.

Republican or Democrat, they see themselves as public servants — their preferred term for politicians — trying to make life better for their fellow Americans. Sure, when they're being honest, they admit that they enjoy the power and perks. But even with all of the cynicism Washington engenders, senators still take pride in the high ideals of politics.

This week, these senators will face a career-defining choice.

It is not an easy one for many of them. Republicans have spent years promising to repeal Obamacare. Now the Senate is nearing a decision on whether to do so. Opposing the bill risks marking any Republican as a traitor to the party.

By late Monday, enough Republicans were nonetheless expressing skepticism about the bill to put its success in serious doubt. Susan Collins of Maine, Rand Paul of Kentucky and Dean Heller of Nevada have all distanced themselves from the bill. But we've seen a version of this story before. House Republicans also expressed serious doubts — only to wilt after party leaders made superficial changes to the bill. The Senate bill remains alive until it's dead.

In the meantime, I hope that each senator takes some time away from the daily swirl of Capitol Hill to think back to the reasons they entered politics. I hope they understand that this bill is a test of conscience and of courage.

A "yes" vote is still the politically easy vote for any Republican. But it is also a vote that will come back to haunt many senators when they reflect on their careers — and when more objective observers pass historical judgment on those careers.

There is little precedent for a bill like this one. That's

why Mitch McConnell kept it secret for as long as possible. Americans have often fought bitterly about how large our safety net should be and about the precise forms it should take. But once the country commits to a fundamentally more generous, decent safety net, it becomes an accepted part of society. Poverty, disease and misfortune that had been accepted as normal became rejected as cruel.

Once we stopped allowing 10-year-olds to work in factories and fields, we didn't go back on it. Once we outlawed 80-hour workweeks at miserly pay, we didn't reinstate them. Once we made health insurance and Social Security a universal part of old age, we didn't repeal them.

Senator Susan Collins of Maine, a Republican, after a vote on Capitol Hill this month. Al Drago for The New York Times

The Senate health care bill would be a reversal on that scale.

Yes, Obamacare is flawed, and it needs to be improved. But the Senate bill would not fix those flaws.

It would instead take away health insurance from millions of Americans — middle class and poor, disabled and sick, young and old — largely to finance tax cuts for the wealthy. Ultimately, the bill would lead many Americans to lose medical care on which they now depend.

I hope the senators will listen to some of these people's stories. The most affecting that I've read recently is about Justin Martin, who has overcome cerebral palsy to become a thriving student at Kenyon College. As the HuffPost's Jonathan Cohn reported, Martin depends on Medicaid to pay for a wheelchair that helps him get around and for health care aides who help him in the bathroom.

When history comes to judge today's senators, do they want to have made life harder on Justin Martin?

I hope the senators will also take the time to ask themselves why virtually no health care expert supports the bill. Conservative health care experts have blasted it, along with liberal and moderate

experts. The Congressional Budget Office says it will do terrible damage. Groups representing doctors, nurses, hospitals and retirees oppose the bill. So do advocates for the treatment of cancer, heart disease, lung disease, multiple sclerosis, cystic fibrosis and, yes, cerebral palsy.

I hope the senators will watch a two-minute video created by doctors around the country. In it, each one looks into the camera and explains how the bill would damage medical care. "This bill would dramatically affect my patients," said Dr. Gregory Lam of Circleville, Ohio, "and my ability to care for them."

I hope the senators grasp the weight of the decision they face, for the country and for themselves.

It takes only three Republican senators to prevent millions of their fellow citizens from being harmed. Which of them has the courage to make the right choice over the easy one?

THE WALL STREET JOURNAL.

House Republicans Close to Deal Significantly Boosting Defense Spending

Kristina Peterson and Richard Rubin

6-7 minutes

June 26, 2017 5:08 p.m. ET

WASHINGTON—House Republicans are nearing a deal on overall spending levels for fiscal year 2018 that would boost military spending well above the limit imposed by current law.

For the fiscal year that begins in October, House Republicans are coalescing around setting base military spending at \$621.5 billion, surpassing the \$549 billion limit under current law, in a budget resolution that could be released and adopted by the House Budget Committee later this week, according to House GOP aides. House Republicans are likely to set nonmilitary spending at \$511 billion, which is below the limit of \$516 billion under current law.

"This is so important for our country," House Budget Committee Chairwoman Diane Black (R., Tenn.) said last week. "We've got to make sure that we have a fiscally sound country moving forward and at the same time, strengthening our military and getting to where we can do tax reform."

The budget resolution, a largely symbolic document, carries unusual importance this year, because Republicans plan to use it to help pass an overhaul of the tax code without Democratic support. The budget resolution will lay out the measuring sticks and revenue targets for the tax plan, which top Republicans are trying to write now. If the House and Senate both adopt the same budget, that unlocks the so-called reconciliation procedures that can allow a subsequent tax bill to pass on a party-line vote.

While the spending levels House Republicans are mapping out are likely to change during the course of negotiations over the summer and early fall, other directions included in the budget resolution could eventually become law. Although the budget can get adopted on a party-line basis, actual spending bills will require Democratic support.

For instance, Republicans are planning to include instructions to shave off at least \$200 billion over a decade from mandatory spending, the money the federal government automatically spends for the major safety-net programs such as Medicare, Medicaid and food stamps.

Legislation tied to the budget process can pass both chambers of Congress under a special process known as reconciliation. That

enables certain measures to pass with just a simple majority in the Senate, where 60 votes are usually needed to clear procedural hurdles. Republicans hold 52 of the Senate's 100 seats.

The spending levels close to finalization in the House would be used for two things: the budget resolution that maps out the GOP's fiscal plan for the next decade and the establishment of the amount of money to be divvied up in detailed spending bills, which provide the money to run government agencies in fiscal year 2018. Congress must pass those spending bills, in some form, before current funding expires on Oct. 1. Unlike the budget resolution, which doesn't require a presidential signature, spending bills go to the White House and need 60 votes in the Senate. As a result, Democrats' support will be needed to pass spending legislation.

It would take a bipartisan agreement to alter the spending limits established in 2011 as part of a deal to raise the debt limit. Negotiations between leaders of both parties are expected to ramp up later this summer.

House Republicans have acknowledged that the spending levels they set in the House GOP budget are unlikely to represent the final outcome. Democrats are willing

to boost military spending, but only if matched by an increase in nonmilitary spending.

"We must provide equal relief for both defense and non-defense programs that power our local economies," Senate Minority Leader Chuck Schumer (D., N.Y.), Sen. Patrick Leahy of Vermont, the top Democrat on the Senate Appropriations Committee, and Sens. Dick Durbin of Illinois, Patty Murray of Washington and Debbie Stabenow of Michigan, all members of Democratic leadership, wrote to Senate GOP leaders in a letter Monday. The Democrats also objected to funding Mr. Trump's proposed wall along the border with Mexico.

Many Republicans said last week they wanted to crystallize their priorities, including boosts to military spending and trims elsewhere in the budget, ahead of bipartisan negotiations with Democrats later this year. Others said they would rather begin the talks with Democrats sooner than later.

"We will once again spend a lot of time and energy on the first launch knowing damn well that the final bill will be at a number higher than what we're discussing here today" on nondefense spending, said Rep. Charlie Dent (R., Pa.), a key centrist who has been urging GOP leaders to begin discussions with

Democrats. "There will be a negotiation. It's just a matter of when," he said. "Everybody knows it."

Defense hawks had hoped to include even more military spending, around \$640 billion, so the \$621.5 billion marks something

of a compromise with those concerned about the impact on the federal budget deficit. In his budget released earlier this year, President Donald Trump proposed setting military spending at \$603 billion plus an additional \$65 billion in defense emergency war spending, which

isn't subject to the caps established in the 2011 deal.

House Republicans are expected to boost defense emergency war spending by \$75 billion, according to House GOP aides.

"There is a clear realization we have been neglecting defense," Rep.

Mario Diaz-Balart (R., Fla.), a member of the House Budget Committee, said Friday.

Write to Kristina Peterson at kristina.peterson@wsj.com and Richard Rubin at richard.rubin@wsj.com



FBI has questioned Trump campaign adviser Carter Page at length in Russia probe

By Devlin Barrett

13-17 minutes

FBI agents have repeatedly questioned former Trump campaign adviser Carter Page about his contacts with Russians and his interactions with the Trump campaign, according to people familiar with the investigation.

Over a series of five meetings in March, totaling about 10 hours of questioning, Page repeatedly denied wrongdoing when asked about allegations that he may have acted as a kind of go-between for Russia and the Trump campaign, according to a person familiar with Page's account.

The interviews with the FBI are the most extensive known questioning of a potential suspect in the probe of possible Russian connections to associates of President Trump. The questioning of Page came more than a month before the Russian investigation was put under the direction of Special Counsel Robert S. Mueller III.

Page confirmed Monday that the interviews occurred, calling them "extensive discussions." He declined to say if he has spoken to investigators since the March interviews.

He said the FBI agents "acknowledged that I'm a loyal American veteran but indicated that their management was concerned that I did not believe the conclusions" of a Jan. 6 U.S. intelligence report describing Russian government interference in the U.S. election. "Our frank and open conversations gave me confidence that there are still logical, honest individuals at the

bureau who respect civil rights and the Constitution," he said.

The FBI obtained a secret court order to monitor communications from former Trump adviser Carter Page in summer 2016, according to law enforcement and intelligence officials. What you need to know about former Trump adviser Carter Page (Sarah Parnass/The Washington Post)

(Sarah Parnass/The Washington Post)

As he has for months, Page said the accusations against him are lies spread by supporters of Hillary Clinton and former president Barack Obama, aimed at weakening the Trump administration.

Because it is against the law for an individual to lie to FBI agents about a material issue under investigation, many lawyers recommend that their clients not sit for interviews with the bureau without an attorney present. Page said he spoke without an attorney and wasn't concerned about the risks because he told the truth.

In April, The Washington Post reported that Page had been the subject of a foreign intelligence surveillance court order beginning in the summer of 2016.

Spokesmen for the FBI and the special counsel declined to comment.

The probes being overseen by Mueller include whether any Trump associates conspired with agents of the Russian government to interfere with the U.S. election, whether associates of the president may have engaged in financial crimes or other wrongdoing, and whether the president may have attempted to obstruct justice in the probe of one

or more of his associates, according to officials familiar with the investigation.

The FBI's questioning of Page came during a tumultuous time for Trump and the Russia probe. On March 20, FBI Director James B. Comey publicly confirmed that the FBI was investigating "the nature of any links between individuals associated with the Trump campaign and the Russian government, and whether there was any coordination between the campaign and Russia's efforts."

A few days after that statement to Congress, Trump separately asked Director of National Intelligence Daniel Coats and National Security Agency Director Mike Rogers to publicly deny the existence of any evidence of collusion between Trump and the Russians, according to officials. Coats and Rogers refused to comply with the requests, which they both deemed to be inappropriate, according to two current and two former officials, who spoke on the condition of anonymity to discuss private communications with the president.

Over a four-week period in March, Page met repeatedly with FBI agents, who pressed him on claims made in a secret dossier compiled by a former British intelligence officer, according to people familiar with the probe.

The dossier includes accusations that Page was part of a "well-developed conspiracy of cooperation between [Trump associates] and the Russian leadership." The dossier also claimed that in July 2016 Page met with Igor Sechin, an associate of Russian President Vladimir Putin, and senior Kremlin official Igor

Divyekin. Page has denied the accusations, saying he did not meet with Sechin and never heard of Divyekin until the dossier surfaced in January.

Page was one of the first Americans to come under scrutiny in the FBI's Russia investigation, and it's unclear what, if any, new information was gleaned from the FBI interviews. He has called the government surveillance of his communications a violation of his civil rights. Page has been outspoken in denying the allegations, repeatedly calling the investigation a politically motivated witch hunt.

A decade ago, Page worked in Russia for Merrill Lynch, and in 2016 he raised eyebrows among U.S. foreign policy experts when he criticized U.S. sanctions on Russia and urged better relations between the two countries. In March 2016, Trump named him as a foreign policy adviser to his campaign, but the campaign dropped him in September after questions arose about his ties to Russia. Trump officials have repeatedly said he was not an influential figure in the campaign. Page has said that while he spent many hours in Trump's campaign headquarters, he never briefed Trump.

Devlin Barrett writes about national security, homeland security and counterterrorism for The Post. He joined the newspaper in 2017 after 15 years with The Wall Street Journal and the AP. His first newspaper job was as a copy boy at the New York Post, and has covered law enforcement — from local cops to global manhunts — for more than 20 years.

POLITICO The 'international man of mystery' linked to Flynn's lobbying deal

By Isaac Arnsdorf

14-18 minutes

Turkey's agenda in the capital. They dined with dignitaries and enlisted prominent lobbying firms from both sides of the aisle.

It was an unremarkable Washington story, except for one thing: the last lobbyist one of the men hired was Gen. Michael Flynn, President

Trump's campaign adviser at the time, who was later fired as national security adviser for lying about his conversations with Russia's ambassador.

Story Continued Below

Flynn's client, a Turkish businessman named Ekim Alptekin, has gained attention as federal investigators examine Flynn's apparent failures to disclose foreign contacts. But so far, the other man in the pro-Turkey efforts has largely avoided public notice, making him

More than two years ago, two men started visiting Washington to push

an intriguing figure in the mystery surrounding foreign influence in Washington.

The man, Dmitri "David" Zaikin, is not registered as a foreign lobbyist and has no apparent connection to Turkey.

What he does have, a ProPublica-POLITICO examination found, is a long track record of partnering with powerful Russian businesspeople and government officials, mostly involving energy and mining deals. More recently, Zaikin has done political work in Eastern Europe, advising parties in Albania and Macedonia that have drifted toward the Kremlin.

Zaikin also has business connections to Trump. Working at a real estate agency in Toronto in the 2000s, Zaikin brokered sales in one of the city's new high-rises: the Trump International Hotel and Tower. Perhaps coincidentally, Zaikin was also close with a Russian woman who was the exclusive agent for one of Trump's Florida developments and who was branded "Trump's Russian hand" by a glossy Russian magazine.

Zaikin has not been accused of any wrongdoing. Alptekin and Zaikin have denied knowing each other, and say Zaikin had nothing to do with Flynn's lobbying deal.

As previously reported in POLITICO, three people with direct knowledge said Alptekin and Zaikin collaborated on Turkish lobbying, jointly steering the work.

Zaikin referred questions to his lawyer, who declined to comment. Flynn's lawyer didn't answer requests for comment. The White House referred questions to Trump's outside lawyer, whose spokesman also did not respond to a request for comment.

Zaikin says he was born in 1967 in Kharkiv, Ukraine. In an earlier email to Politico, he wrote that his family long faced anti-Semitic persecution in their homeland and that they fled the collapsing USSR for Canada in 1990.

"Mr. Zaikin reserves nothing but contempt for the Soviet government, and whatever vestiges of it may still exist," his lawyer, Tara Plochocki of the firm Lewis Baach Kaufmann Middlemiss, wrote to POLITICO.

But Zaikin gave a different account to Geoffrey P. Cowley, a British engineer who was his business partner from 2010 until they split in 2016. Cowley said he never heard Zaikin claim his family was persecuted, nor had he heard Zaikin criticize the former Soviet Union.

"That might be the official line," Cowley said.

Instead, according to Cowley, Zaikin had said his father was in the Soviet military or diplomatic corps.

"When he was with me, whoever I wanted to see, David would pick up the telephone and I got to see him," Cowley said, naming officials in Albania, Serbia and Guinea as examples. "That doesn't happen with some Jewish refugee out of Ukraine who doesn't know anybody."

Settling in Toronto, Zaikin was active in the community of Jews from the former Soviet Union. He soon became a real estate agent, eventually with an upscale brokerage. He marketed properties to Russian buyers. He married a woman from St. Petersburg and had three children.

In 2002, Zaikin started a side gig. He became chairman of Siberian Energy Group, which was incorporated in Nevada and was listed over-the-counter on NASDAQ. The company's archived website notes Zaikin's "extensive ties to Russia's business community, as well as to federal and regional government authorities."

Zaikin worked to help the governor of the western Siberian province of Kurgan attract Western investors for energy exploration and infrastructure, according to Tim Pearsa, whom Zaikin hired to help raise money in the United Kingdom.

"He did the government of Kurgan a lot of favors in terms of helping to raise money for them," Pearsa said. The governor reported directly to President Vladimir Putin, according to a company press release.

The region's prospects didn't pan out: Zaikin's company never pumped a single barrel of oil or cubic foot of gas, according to disclosures filed with the Securities and Exchange Commission.

The SEC repeatedly queried the company about its financial dealings, specifically about its payments to Russian executives and consultants in shares and options whose values were opaque or shifting.

"We note that although you describe various transactions utilizing common stock of the company, it is not clear from your disclosures how the value of such stock for each transaction was determined," SEC officials wrote in one letter.

In 2006, Siberian Energy Group used shares worth \$2.7 million to buy a Russian company, Kondaneftegaz. Less than two

years later, Zaikin's company sold significant stakes in Kondaneftegaz to two Russian investors for just \$10 each. Kondaneftegaz had actually been awarded two additional drilling licenses before those sales, according to SEC reports.

Zaikin previously told POLITICO that he was "not involved" in that transaction, though his signature appears on the purchase and sale agreements filed with the SEC.

Zaikin obtained Siberian Energy Group's licenses at auctions that weren't publicized and were only attended by people who had government connections, according to a contractor for the company. Zaikin's lawyer refused to comment on this.

"David was on the inside track," said Jordan Silverstein, who worked for a firm doing investor relations for Siberian Energy Group. "He seemed like an international man of mystery."

Zaikin's business career continued to involve both Russian oil work and Toronto real estate dealings. In 2005, Zaikin told the Globe and Mail newspaper about a new development he was promoting: the Trump International Hotel and Tower. The newspaper reported that Zaikin called his "top five international clients" and four agreed to buy.

"When this project was announced I instantly became a strong believer that it would be a significant winner," Zaikin told the newspaper. "I have stayed at Trump Hotels and seen how other similar projects went in New York, Chicago and Las Vegas."

Not long after, Zaikin and several colleagues from Siberian Energy Group became directors or shareholders of a mining company called RAM Resources, later First Iron Group, according to corporate filings. First Iron's board included the deputy chairman of Russian state bank VEB, who had also been Putin's deputy chief of staff. The company was registered in the British isle of Jersey, a haven for offshore companies.

Other investors in the company were themselves offshore firms, based in the Cayman Islands, Cyprus, the British Virgin Islands and elsewhere.

According to Zaikin's partner Cowley, who served on the company's board, the venture was ultimately controlled by Alisher Usmanov, an Uzbek-born Russian iron oligarch. Usmanov's representatives did not respond to a request for comment.

Cowley, an experienced mining executive who had worked for other Russian oligarchs, said he was impressed by Zaikin's global political connections.

A consulting firm that Zaikin and Cowley started advertised Zaikin as having "a network of contacts with senior executives and top government officials and Presidents in Senegal, Nigeria, Ghana, Guinea, Ethiopia, Albania, Sierra Leone, Mali, Liberia, Moldova, Ukraine, Kazakhstan, [and] Romania."

By 2011, Zaikin had moved to London. He set up several companies registered at his home address. One of them, EM Infrastructure Ltd., lists two names on a U.K. incorporation document: Neither is Zaikin's. One is his wife, a jewelry designer, and the other is a Viktor Grabarouk, whose address is listed as Zaikin's home and whose birth date is listed as one day after Zaikin's own.

A search of corporate records and the comprehensive British phonebook showed no references to a Viktor Grabarouk.

A few years later, Zaikin's career took yet another turn. After working in residential real estate and the Russian energy sector, Zaikin became an adviser to the ruling parties in Turkey, Albania and Macedonia. He also began working with those parties to set up lobbying in the United States.

Zaikin told Cowley he wanted to be "working with the staffs of senators and high-profile people in the States," Cowley recalled. The two stopped working together as Zaikin focused more on politics.

Starting around 2015, Zaikin helped run pro-Turkish nonprofit groups to lobby U.S. lawmakers, according to an American consultant who worked with him, John Moreira. Alptekin, the Turkish businessman who later hired Flynn, told Politico he worked with the main group Zaikin helped set up.

In August 2016, Alptekin signed a contract with Flynn for \$600,000 to urge the U.S. to turn over Fethullah Gülen, a cleric now in Pennsylvania whom Turkish President Recep Tayyip Erdogan accuses of trying to topple him.

The contract refers to Alptekin as "Capt. Ekim Alptekin." Alptekin said he's not a captain and he doesn't know why the contract calls him one.

Flynn was paid by a Dutch consulting firm that Alptekin owned called Inovo, according to Flynn's Justice Department disclosures. But records show Inovo had no significant business activity in the

three years before the Flynn deal. In fact, the company was in debt for more than 125,000 euros in the months before paying Flynn. Alptekin acknowledged in an interview that Inovo lacked sufficient funds and said he used his own money to pay Flynn.

Flynn's firm ultimately repaid \$80,000 to Inovo. Alptekin has said it was a refund. Flynn's filing with the Justice Department called the payment a "consultancy fee."

Robert Mueller, the special counsel investigating Russian efforts to influence the election, is interested in the source of Flynn's lobbying income, according to a person familiar with the probe. Mueller's spokesman declined to comment.

While working on Turkey, Zaikin also facilitated lobbying and political consulting deals for the Macedonian political party VMRO-DPMNE, according to four people with direct knowledge of the activities. He did the same for Albania's Socialist Movement for Integration, known as LSI, according to four people familiar with the arrangements. Zaikin introduced leaders of both parties to American lobbyists and campaign advisers, the people said.

VMRO, like Turkey, historically aligns with the West but has recently cozied up to the Kremlin. VMRO for months refused to leave power despite failing to win enough seats in a

December election to form a parliamentary majority. The standoff put the party at odds with the U.S. State Department, whereas it's received forceful backing from the Russian Foreign Ministry.

Albania's LSI and its leader, Ilir Meta, are avowedly pro-Western but have sometimes clashed with the State Department over the U.S.'s push to reform the country's criminal justice system.

Around the same time Zaikin started getting more involved in Eastern European and American politics, he and his wife repeatedly met with a friend named Elena Baronoff who worked with the Trump Organization to sell condos in Florida.

On social media, Zaikin and Baronoff discussed plans to meet and posted photos of themselves dining out in London. In October 2013, Zaikin posted back-to-back photos of himself and Baronoff with the chef of a French restaurant in the posh Mayfair neighborhood. Two weeks later, he tweeted a photo of his wife and Baronoff hugging with the comment, "It was warm like in Miami."

On another apparent visit, in July 2014, Baronoff posted to Instagram a photo of herself and Zaikin's wife, Yana, on a London sidewalk and then a photo of the lobby of a five-star hotel captioned, "with love to Yana and David Zaikin."

Baronoff was born in Russia, earned degrees in journalism and mass communication, and served as an official "cultural attaché in public diplomacy" for the Russian government at an unspecified time, she said in interviews and bios. In 1989, she moved to Iowa, then Florida.

Starting with little means, Baronoff became a travel agent and later a real estate agent. She wrote on LinkedIn that her diplomatic training was key to her success in "marketing and building the brand of high-end luxury condominiums under the Trump brand."

By 2004, Baronoff was Trump's on-site director of customer relations for the Trump Grande near Miami. She was photographed with Trump and his daughter Ivanka and celebrated on the cover story of The Women's City magazine as "Donald Trump's Russian hand."

As the exclusive agent for the Trump Grande development, Baronoff sold 44 units to Russian buyers, according to an analysis by Reuters. An undated photo surfaced on Twitter showing Baronoff in Moscow with Trump's children Ivanka, Eric and Don Jr.

Last month, Trump released a letter from his lawyers saying any of his firm's transactions with Russians were "immaterial," though Donald Trump Jr. said in 2008 that the

company was seeing "a lot of money pouring in from Russia."

Baronoff fell ill while traveling to Turkey in 2014 and was diagnosed with leukemia. She died in 2015. Following her burial, her family received visitors at the Trump International Beach Resort.

Her son, George Baronov, said his mother worked for Trump after first doing business with Trump's partner in Florida. "She was the in-house broker," Baronov said. "She did a lot of marketing and advertising and traveling around the world." The Moscow trip with Trump's children was in 2003 or 2004, he said.

Two years before she died, Baronoff worked on a \$28 million Manhattan real estate deal with Turkish President Erdogan's son and son-in-law, according to hacked emails published by Wikileaks. The emails also showed the son and son-in-law receiving updates about Zaikin's lobbying efforts. In September 2016, as Flynn later disclosed, Alptekin arranged a meeting between the same son-in-law and Flynn himself.

Isaac Arnsdorf, formerly of POLITICO, is a writer for ProPublica.

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The New York Times

The Editorial Board

4-5 minutes

Chip Somodevilla/Getty Images

In a comprehensive report late last week, The Washington Post described how narrow-minded politics and dithering by the Obama administration and congressional Republicans allowed Moscow to go largely unpunished for an assault on the American electoral process.

The intelligence community said in August that President Vladimir Putin of Russia was directing an extensive cyberattack on the 2016 election. The Obama administration's response, though, was late and weak, despite its concerns.

But President Trump, the intended beneficiary of Moscow's hacking, has been not just cautious but also remarkably indifferent to what should have been a critical nonpartisan national security concern from his first day in office.

Editorial : Tweeting, Not Leading, the Response to Russian Hacking

For six months, Mr. Trump has had unfettered access to intelligence on the hacking. He has had six months to authorize covert action, propose tougher economic sanctions, order a more muscular diplomatic response and protect election systems. He has done nothing that meets the eye. Instead, the White House is lobbying against legislation passed by the Senate this month imposing stricter sanctions on Moscow, in part because the bill contains a provision making it harder for Mr. Trump to lift them. And the White House is considering returning to Moscow two compounds in the United States used by Russian spies that were seized by the Obama administration in late December.

In a Jan. 6 report, the intelligence community called Russian efforts to influence the election "the most recent expression of Moscow's longstanding desire to undermine the U.S.-led liberal democratic order, but these activities demonstrated a significant escalation in directness, level of activity, and scope of effort compared to previous operations."

In a warning that action needs to be taken now, intelligence officials say Russia will redouble its efforts in the United States and elsewhere after its success in 2016 and that electoral mechanisms need to be shored up before the congressional election of 2018, and in European nations, which are even more vulnerable.

Over the weekend, Mr. Trump, who has downplayed reports of Russian electoral interference and possible collusion with his campaign, was acting as if The Post's report was the first he'd heard of the Russian threat. Seizing the opportunity to change the subject from the F.B.I.'s investigation into his team and whether he obstructed that inquiry, he criticized Mr. Obama.

"The reason that President Obama did NOTHING about Russia after being notified by the CIA of meddling is that he expected Clinton would win...and did not want to 'rock the boat,'" he tweeted on Monday. "He didn't 'choke,' he colluded or obstructed, and it did the Dems and Crooked Hillary no good."

With those tweets was Mr. Trump acknowledging what he hasn't before, that Russia intended to help him? As late as last week, he tried to discredit his intelligence agencies' findings to that effect as a Democratic "HOAX" and "excuse for losing the election." But on Monday he seemed to be saying that Mr. Obama didn't address Russia's meddling only because he thought Mrs. Clinton would win anyway. Either way, the intelligence community has established that Moscow aimed to help Mr. Trump win, and that should color perceptions of every move he makes.

Russia's meddling in global democracies is a deepening threat that requires a united response. As commander in chief, Mr. Trump has a sworn responsibility to protect the nation against threats from foreign adversaries. So far the Russians are winning, while he tweets from the sidelines.

Cohen : For once, Trump is right about Obama

<http://www.facebook.com/RichardCohenColumn>

12-15 minutes

Every once in a while, as often as a blue moon or a politician forgoing the use of the word “frankly,” I utter a soft “Right on” in response to something President Trump has done or tweeted. This occurred recently when he took Barack Obama to task for his weak — and tardy — response to Russia’s meddling in the U.S. election. For a moment there, Trump forgot that Vladimir Putin can do no wrong.

But for that rare moment, the president was absolutely right. The Obama administration’s response to Russian meddling was ineffective and oddly torpid. It was also secretive. For the longest time, only some in the U.S. intelligence community and a few people in the Obama White House knew what the Kremlin was up to. Most of Congress, not to mention the American people, were kept in the dark. Why? After all, it was our election.

Of course, Trump had his own harebrained take on what happened and who might have benefited. Somehow, Obama’s weak response to the Russians was supposed to benefit Hillary Clinton. If anything, Putin had become a virtual Trump volunteer, all but chanting “Lock her

up, lock her up,” in the safe space created by thick Kremlin walls. Putin had come to hate Clinton for her statements questioning the legitimacy of his own election. One does not question Putin’s legitimacy. He has that in common with Trump.

Evening Edition newsletter

The day’s most important stories.

Russian meddling in the 2016 election has produced a very rare bipartisan approach to a foreign policy challenge, combining incompetence (Obama) with chaotic indifference (Trump) so that Putin has been allowed to mess with our election with close to impunity. Oh, two Russian rest houses in Maryland and New York were closed, some intelligence operatives operating under diplomatic cover were given the boot, and additional sanctions were imposed, but mostly this caper was widely successful. It may not be true that Russia managed to fiddle with the vote; Moscow did, however, mess with Clinton’s head, employing WikiLeaks to keep her off-balance. The Obama administration’s response to Russian meddling was entirely characteristic of a president who was respected by many but feared by few. When Obama finally approached Putin at a summit in Hangzhou, China, and reportedly told him he’d “better stop or else,” Putin essentially blew him off. He demanded proof. As Putin no doubt

knew, red lines with Obama were opportunities for further study.

But Obama is no longer president. Some of the tougher penalties Obama ordered up but never used are on Trump’s desk. Yet the new president continued to dismiss the unanimous finding of the entire U.S. intelligence community that Russia meddled in the election. Trump variously called the whole thing “a hoax” and said that maybe it wasn’t the Russians but “some guy in his home in New Jersey.” (Chris Christie? Tony Soprano?) Actually, it was some guy at home in the Kremlin.

The Washington Post’s national security reporters unveil the deep divisions inside the Obama White House over how to respond to Russia’s interference in the 2016 presidential election. Inside Obama’s secret struggle to retaliate against Putin’s election interference. (Whitney Leaming, Osman Malik/The Washington Post)

(Whitney Leaming, Osman Malik/The Washington Post)

The question is: What is Trump going to do about it? And the further question is: Why does the answer appear to be nothing? Can it be that he actually thinks the story was concocted by all 17 intelligence agencies? Can it be that he is somehow so indebted to Putin that his hands are tied and his mouth muzzled? And what could so compromise the president of the

United States? Does he owe rubles to the Russians? Did the Russians catch Trump on tape reading a history book? He would, of course, be destroyed.

As always with Trump, the Republican Party has taken a stand on principle that it will have none. The Russians violated American sovereignty, and few in the GOP protest. The man in the Oval Office appears either inhibited or so befogged by keen feelings of victimization, that the United States — the world’s sole superpower, remember? — cannot respond to what amounts to an attack on our way of life.

There was yet another moment when I cheered Trump. That was in April when he authorized the missile strike on a Syrian air base after its military had used chemical weapons on civilians. He did what Obama had refused to do, he did it without months of study — and it was successful. He now has the credibility that unfortunately matters in the schoolyard of international affairs — the willingness to use force. I am not suggesting that he do something similar to Russia — it is a nuclear power, after all — but I am suggesting that he do *something* or explain, in possibly more than 140 characters, why he will not. In the meantime, the United States appears weak.

C’mon, Donald, make America great again.

Justices to Hear Case on Religious Objections to Same-Sex Marriage (UNE)

Adam Liptak

8-9 minutes

A Clash of Cake and Faith

Jack Phillips explains his reasons for refusing to make a cake for a same-sex wedding.

By Mike Shum and Ashley Maas on December 15, 2014. Photo by Matthew Staver for The New York Times. Watch in Times Video »

WASHINGTON — The Supreme Court agreed on Monday to hear an appeal from a Colorado baker with religious objections to same-sex marriage who had lost a discrimination case for refusing to create a cake to celebrate such a union.

The case will be a major test of a clash between laws that ban

businesses open to the public from discriminating based on sexual orientation and claims of religious freedom. Around the nation, businesses like bakeries, florists and photography studios have said, so far with little success, that forcing them to serve gay couples violates their constitutional rights.

The Supreme Court’s decision, expected next year, will again take the justices into a heated battle in the culture wars. On one side are gay and lesbian couples who say they are entitled to equal treatment from businesses that choose to serve the general public. On the other are religious people and companies who say the government should not force them to choose between the requirements of their faiths and their livelihoods.

In a series of decisions culminating in its 2015 ruling establishing a

constitutional right to same-sex marriage, the Supreme Court has consistently ruled in favor of gay rights. But it has also said that businesses run on religious principles may sometimes be exempted from generally applicable laws, as when it ruled in 2014 that some companies could not be required to provide free contraceptive coverage for their female workers.

The new case, Masterpiece Cakeshop v. Colorado Civil Rights Commission, No. 16-111, started in 2012, when the baker, Jack Phillips, an owner of Masterpiece Cakeshop in Lakewood, Colo., refused to create a cake for the wedding reception of David Mullins and Charlie Craig, who were planning to marry in Massachusetts. The couple filed discrimination charges, and

they won before a civil rights commission and in the courts.

“This has always been about more than a cake,” Mr. Mullins said. “Businesses should not be allowed to violate the law and discriminate against us because of who we are and who we love.”

Mr. Phillips, who calls himself a cake artist, argued that two parts of the First Amendment — its protections for free expression and religious freedom — overrode a Colorado anti-discrimination law and allowed him to refuse to create a custom wedding cake.

David Cortman, one of Mr. Phillips’s lawyers, said the case concerned fundamental rights. “Every American should be free to choose which art they will create and which art they won’t create without fear of

being unjustly punished by the government," he said.

In 2015, a Colorado appeals court ruled against Mr. Phillips. "Masterpiece does not convey a message supporting same-sex marriages merely by abiding by the law and serving its customers equally," the court said.

In a Supreme Court brief, Mr. Phillips's lawyers said "he is happy to create other items for gay and lesbian clients." But his faith requires him, they said, "to use his artistic talents to promote only messages that align with his religious beliefs."

"Thus," the brief said, "he declines lucrative business by not creating goods that contain alcohol or cakes celebrating Halloween and other messages his faith prohibits, such as racism, atheism, and any marriage not between one man and one woman."

The brief said Mr. Mullins and Mr. Craig could have bought a cake from another baker and in fact "easily obtained a free wedding cake with a rainbow design from another bakery."

In response, the couple's lawyer wrote that "it is no answer to say that Mullins and Craig could shop somewhere else for their wedding cake, just as it

was no answer in 1966 to say that African-American customers could eat at another restaurant."

In a second development concerning gay and lesbian couples, the Supreme Court reaffirmed on Monday its 2015 decision recognizing a constitutional right to same-sex marriage, ruling that states may not treat married same-sex couples differently from others in issuing birth certificates.

The majority decision was unsigned. Justice Neil M. Gorsuch, joined by Justices Clarence Thomas and Samuel A. Alito Jr., dissented.

The case concerned an Arkansas law about birth certificates that treats married opposite-sex couples differently from same-sex ones. A husband of a married woman is automatically listed as the father even if he is not the genetic parent. Same-sex spouses are not.

The case, *Pavan v. Smith*, No. 16-992, was brought by two married lesbian couples who had jointly planned their child's conception by means of an anonymous sperm donor. State officials listed the biological mother on the children's birth certificates and refused to list their partners, saying they were not entitled to a husband's presumption of paternity.

The Arkansas Supreme Court ruled against the women, saying that "it does not violate equal protection to acknowledge basic biological truths."

Obergefell v. Hodges, the 2015 United States Supreme Court decision, listed birth certificates among the "governmental rights, benefits and responsibilities" that typically accompany marriage.

In its unsigned opinion, the majority said on Monday that the Arkansas Supreme Court had erred in failing to apply the 2015 decision to birth certificates. "Obergefell proscribes such disparate treatment," the opinion said. "As we explained there, a state may not 'exclude same-sex couples from civil marriage on the same terms and conditions as opposite-sex couples.'"

Arkansas uses birth certificates, Monday's opinion said, "to give married parents a form of legal recognition that is not available to unmarried parents." It continued, "Having made that choice, Arkansas may not, consistent with *Obergefell*, deny married same-sex couples that recognition."

In dissent, Justice Gorsuch said the court had acted rashly in not asking for briefs and argument on the question presented in the case.

"To be sure, *Obergefell* addressed the question whether a state must recognize same-sex marriages," he wrote. "But nothing in *Obergefell* spoke (let alone clearly) to the question" addressed by the Arkansas Supreme Court.

"The statute in question establishes a set of rules designed to ensure that the biological parents of a child are listed on the child's birth certificate," Justice Gorsuch wrote. "Before the state supreme court, the state argued that rational reasons exist for a biology-based birth registration regime, reasons that in no way offend *Obergefell* — like ensuring government officials can identify public health trends and helping individuals determine their biological lineage, citizenship or susceptibility to genetic disorders."

"In an opinion that did not in any way seek to defy but rather earnestly engage *Obergefell*, the state supreme court agreed," Justice Gorsuch wrote. "And it is very hard to see what is wrong with this conclusion for, just as the state court recognized, nothing in *Obergefell* indicates that a birth registration regime based on biology, one no doubt with many analogues across the country and throughout history, offends the Constitution."

The New York Times Mayors, Sidestepping Trump, Vow to Fill Void on Climate Change

Lizette Alvarez

7-8 minutes

A fisherman in Pointe-aux-Chenes, La. The low-lying area along the coast is likely to be inundated as the sea level rises. Amir Levy/Agence France-Presse — Getty Images

MIAMI BEACH — Meeting in a city confronted daily with the issues of rising seas and climate change, the United States Conference of Mayors approved resolutions on Monday to urge the federal government to rejoin the Paris climate agreement and to redouble their own efforts to combat climate change and commit to renewable energy.

"If the federal government doesn't act, it doesn't mean we don't have a national policy; the federal government doesn't occupy the only place on this," Mitch Landrieu, the mayor of New Orleans and the new president of the conference, said before the vote on the nonbinding resolutions. "Mayors have to respond to circumstances. We have to keep moving no matter what."

On the closing day of the conference's annual meeting, Republican and Democratic mayors came together to push their agendas on improving infrastructure, responding to gun violence and curbing opioid abuse. But it was the climate change debate that provided the sharpest contrast between the priorities of the mayors here — many of whom have focused on renewable energy and ways to deal with global warming — and the skepticism of the Trump administration on the issue.

The mayors showcased the issue with panels on climate resiliency, and with committee and conference votes. In one resolution, they supported a commitment to run their cities 100 percent on renewable energy, like wind or solar, by 2035. Mayor Philip Levine of Miami Beach also led a tour of a neighborhood here and described how the city raised sidewalks and installed pumps to push rising oceans back out to sea. Miami Beach, one of the cities most vulnerable to climate change, has scrambled to fend off rising seas and severe flooding, throwing millions of tax dollars into the effort.

Mayor Mitch Landrieu of New Orleans at the annual meeting of the United States Conference of Mayors in Miami Beach on Monday. He said that "the federal government doesn't occupy the only place" on climate change policy. Lynne Sladky/Associated Press

Rather than bemoan President Trump's decision this month to pull out of the Paris Agreement, an accord signed by 195 nations to battle rising temperatures, many Republican and Democratic mayors here said the move had re-energized them. A separate effort by Eric Garcetti, the mayor of Los Angeles, and a group whose members call themselves the Climate Mayors also picked up support here; more than 300 mayors have signed a document to abide by the Paris accord and "intensify efforts to meet each of our cities' climate goals."

"There is no question that the federal withdrawal of national leadership is a step backward," Mr. Garcetti said in an interview. "But before Paris and after the withdrawal from Paris, most of the local action has taken place at the mayoral level."

But some mayors quietly opted not to embrace the initiative. Many conservative Republicans, represented in Washington by leading climate change deniers like Senator James M. Inhofe of Oklahoma, agree with Mr. Trump on the Paris accord and say it will unfairly hurt American businesses. Mayor Mick Cornett of Oklahoma City, a Republican whose tenure as conference president just ended, said he had not signed on to the climate-protection documents. Mr. Cornett, from an oil-producing state, said he cared about the environment but worked on environmental issues on a local level, case by case.

Climate change "isn't my issue," he said. "I'm not a me-too kind of guy."

Facing off against the federal government on climate change is not new to the mayors' conference. After President George W. Bush rejected the Kyoto Protocol on climate change, more than 1,000 mayors made a nonbinding pledge to abide by the treaty. They vowed to cut carbon dioxide emissions in their cities 7 percent below 1990 levels by 2012.

For some cities, like Chicago and Seattle, whose mayor at the time championed the pledge, this ultimately proved too high a bar to meet, perhaps one reason no emissions targets were included in Monday's resolutions. A few cities lowered the targets. But some were successful.

Steve Benjamin, right, the mayor of Columbia, S.C., at a news conference with Mayor Philip Levine of Miami Beach during the annual United States Conference of Mayors meeting. Lynne Sladky/Associated Press

More than a decade later, the acceleration of problems driven



Mayor Landrieu : Congress and the White House should learn from America's mayors

Mitch Landrieu, Opinion contributor
6:00 a.m. ET June 27, 2017

5-7 minutes

When the federal government refuses to act, cities will go at it alone. But we desperately want a partner in D.C. — we'd all be better for it.

New Orleans Mayor Mitch Landrieu on June 16, 2017. (Photo: Jacquelyn Martin, AP)

In March 2016, James Fallows of *The Atlantic* reached one profound conclusion about the state of our union, and it proved true wherever he traveled, be it Sioux Falls, South Dakota or San Bernardino, California. "Many people are discouraged by what they hear and read about America," he wrote. "But the closer they are to the action at home, the better they like what they see."

We can all think of our own reasons for why that's true, but here's mine: While Washington has become paralyzed by partisan bickering, America's mayors are getting the job done every day at home.

Keeping our cities and towns safe, prosperous and inclusive is a full-time job. Mayors are leading the way on issues both big and small. There is no Republican or Democratic way to take out the trash or fill a pothole. Mayors don't have the time for ideology or the patience for gridlock.

Americans are desperate for results and leadership, now more than



Science Monitor

Editorial : Renewable energy at a 'tipping point'

The Christian 4-5 minutes

by climate change has prodded mayors to increase once again their efforts on renewable energy, fleet maintenance, transportation (perhaps the hardest issue) and building design. Their goal is made easier by the proliferation of more technologically advanced ways to tackle the problems, they said.

Some cities now have their government buildings running on 100 percent renewable energy. Long Beach, Calif., has seen emissions at its port drop considerably after allowing ships to plug into the electric grid.

Elizabeth B. Kautz, a Republican and the longtime mayor of Burnsville, Minn., said her city had

ever. That requires a partnership between Washington and city halls from Atlanta to Anaheim, Milwaukee to Monroe.

When the federal government refuses to act, cities will go at it alone — like on climate, where through our collective action to reduce carbon emissions we are shaping national policy without federal government action. But we desperately want a partner in D.C. — we'd all be better for it. By partnering with mayors and cities on the most important issues our residents face, we can build a government that works for everyone. And there are many places to do that.

Ensuring the safety of our neighborhoods is every mayor's most solemn responsibility. That's primarily a matter of balancing three immediate, connected priorities: reducing violent crime, building trust between police and our diverse communities and preventing terrorism. Washington can start by working with local officials to increase coordination between local, state and federal law enforcement. Increasing and reforming homeland security grants, for example, will offer the flexibility to fight national threats with locally tested tactics and expertise. We should also bolster the ranks of community police officers on the streets — a commonsense proposal that worked to reduce crime dramatically in the 1990s — while dedicating extra funding for training and technology.

As mayors understand, creating truly secure communities is about

exceeded its goals. The city has also seen improvements in recharging its aquifer. Climate protection, she said, is not a partisan issue, something she hears from her constituents.

"Everybody cares about the environment, and everybody wants clean air and clean water," Ms. Kautz said. "We don't really need the federal government. We are going to do what's right for our people."

Mayor Steve Benjamin of Columbia, S.C., a Democrat who was a sponsor of the renewable energy resolution, said mayors could discuss the issue and offer more concrete solutions than national

more than just public safety. It's about doing the hard work of building equity to increase opportunity for all our neighbors. That starts with keeping housing costs under control. Modernizing and preserving affordable housing will keep communities livable. Any administration's effort to maintain affordability takes long-term commitment and investment, but cities have had to do more with less for years. Community Development Block Grants have been slashed by almost \$1 billion since 2010, despite the program's proven record of revitalizing struggling neighborhoods. Even worse, President Trump has suggested eliminating them altogether. These funds are critical for community development and investments — urban and rural, coast to coast.

We also have to ensure that health and wellness programs are not just luxury items. It's hard to be a mayor without believing that quality health care is a fundamental human right. Any effort by Congress to strip away patient protections in the Affordable Care Act would devastate cities and towns everywhere. And robust federal-local partnerships to fight the opioid epidemic — a national scourge that affects urban, suburban, and rural communities alike — are long overdue.

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

The mayors I speak with have expressed particular disappointment over Washington's inability to confront the sorry state of our infrastructure — our roads, bridges, transit and water systems. This is

politicians. He said he did not talk to his constituents about climate change in lofty terms. He talks to them about flooding — his city was hit hard in 2015 — fresh drinking water, new jobs in clean energy and their children's asthma.

"These conversations are not happening in the vaulted halls of Congress," said Mr. Benjamin, the conference's new vice president. "They are happening in grocery stores, churches, synagogues and streets."

pretty simple: you want a better, quicker, safer way to get to and from work. Our roads are what let rural patients access world-class hospitals in the city. They help students in the city get to class on time in the suburbs. This is why we need real investments from Washington. Rebuilding our country will also create jobs and connect people to training and new opportunities in this changing economy.

The interesting truth is that none of this is too hard to accomplish. Most of these things are already happening, every day, led by mayors from Sioux Falls to San Bernardino. We are not simply resisting and retreating — we are leading.

If Congress or the White House wants to get moving again, if they want to turn energy and vision into real leadership, they'll need to come work with mayors. We will show them what our constituents already know: Getting things done requires putting people over politics. Building a better nation starts, as Mr. Fallows wrote, with action at home.

Mitch Landrieu is mayor of New Orleans and the new president of the U.S. Conference of Mayors.

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June 26, 2017 —Should the world promote economic growth or fight

climate change? That model of “either/or” thinking may be losing its validity faster than even some experts have imagined.

While fossil fuels – coal, oil, gas – still generate roughly 85 percent of the world’s energy supply, it’s clearer than ever that the future belongs to renewable sources such as wind and solar.

The move to renewables is picking up momentum around the world: They now account for more than half of new power sources going on line.

Some growth stems from a commitment by governments and farsighted businesses to fund cleaner energy sources. But increasingly the story is about the plummeting prices of renewables, especially wind and solar. The cost of solar panels has dropped by 80 percent and the cost of wind turbines by close to one-third in the past eight years, reports the International Renewable Energy Agency.

In many parts of the world renewable energy is already a

principal energy source. In Scotland, for example, wind turbines provide enough electricity to power 95 percent of homes.

While the rest of the world takes the lead, notably China and Europe, the United States is also seeing a remarkable shift. In March, for the first time, wind and solar power accounted for more than 10 percent of the power generated in the US, reported the US Energy Information Administration.

President Trump has underlined fossil fuels – especially coal – as the path to economic growth. In a recent speech in Iowa, a state he won easily in 2016, he dismissed wind power as an unreliable energy source.

But that message did not play well with many in the Hawkeye State, where wind turbines dot the fields and provide 36 percent of the state’s electricity generation – and where tech giants such as Facebook, Microsoft, and Google are being attracted by the availability of clean energy to power their data centers.

Prominent Republican politicians in Iowa are backing the growing industry. The state’s senior senator, Republican Chuck Grassley, has pledged his strong commitment to wind power, as has the new GOP governor, Kim Reynolds. Other red states in the heartland, such as Kansas, the Dakotas, and Texas, are experiencing a wind-powered boom as well.

The question “what happens when the wind doesn’t blow or the sun doesn’t shine?” has provided a quick put-down for skeptics. But a boost in the storage capacity of batteries, and a dramatic drop in their cost, is making their ability to keep power flowing around the clock more likely.

The advance is driven in part by vehicle manufacturers, who are placing big bets on battery-powered electric vehicles. Although electric cars are still a rarity on roads in 2017, this massive investment could change the picture rapidly in coming years. China, whose cities are choked by air pollution, may lead the way.

“Renewables have reached a tipping point globally,” sums up Simon Virley, who studies the world’s energy markets for the international accounting firm KPMG. He sees renewables competing on price with fossil fuels in more and more places around the world.

“I think [the shift to renewable energy is] happening much faster than most well-educated business people in America understand,” adds British investor Jeremy Grantham, cofounder of the Boston-based asset manager firm GMO, in Britain’s Financial Times recently.

While there’s a long way to go, the trend lines for renewables are spiking. The the pace of change in energy sources appears to be speeding up – perhaps just in time to have a meaningful effect in slowing climate change.

What Washington does – or doesn’t do – to promote alternative energy may mean less and less at a time of a global shift in thought.



Democrats’ Broad Challenge: Middle-Class Appeal

Gerald F. Seib

5-6 minutes

June 26, 2017 10:36 a.m. ET

Democrats have entered a summer of discontent, in which their disdain for President Donald Trump is matched by their frustration at an inability, so far at least, to notch an election victory that would show they can translate anti-Trump sentiment into success at the ballot box.

They are troubled most immediately by their failure to capture a seemingly winnable vacant House seat in suburban Atlanta last week. That has precipitated a round of backbiting and second-guessing, and a debate about whether the party’s success lies in staking out the political center, to claim the votes of independent and moderate Republicans put off by the coarseness and unpredictability of Mr. Trump, or in moving left to capture and spread the passion of those who want a clean and sharp break from the status quo.

Democrats might want to pause, though, to consider a broader problem: Why has their hold on the middle class loosened?

This is the trend that made the Trump phenomenon possible, and that Mr. Trump in turn appears to have exacerbated. The scope of

Democrats’ problem is visible in the latest Wall Street Journal/NBC News poll. Less visible is what the party can do to reverse it.

For more than a quarter of a century, the Journal/NBC News poll has been asking Americans which party—the Democrats or the Republicans—would do a better job of looking out for the middle class. In 1990, the Democratic advantage was enormous: By a whopping 29-point margin, 47% to 18%, Americans said the Democrats would do the better job for the middle class.

By 2011, the Democratic margin had shrunk to 20 points. Now, in the latest survey completed last week, the Democratic advantage has shrunk to 13 points, the smallest gap ever.

This isn’t an incidental data point. In American politics, the middle class occupies hallowed ground that parties yearn to control. Americans with lower incomes want to become part of the middle class, and thus are drawn to the party that can pave the way there. Those already in the middle class want to be assured they won’t slip backward and out of it. And at least some of those who have risen above the middle class are grateful to whichever party and policies gave them the chance to do so.

So just about every economic policy from both parties is pitched as a

magic elixir for the middle class. The question for Democrats is why their pitch doesn’t have the same resonance as before.

Part of the answer may lie in the party’s priorities. Democrats’ signature domestic achievement in recent years, the Affordable Care Act, was designed in large measure—and admirably so—to extend health coverage to Americans who couldn’t otherwise afford it. But while providing health security to many low- and middle-income people, it also produced a fair amount of health insecurity to others in the middle class, through higher insurance premiums and shrinking coverage options.

Similarly, Democratic efforts to raise the minimum wage speak more loudly to low-income Americans than to the middle class.

By contrast, middle-class worries trend more toward finding a way to buy a home and paying for college costs. Chicago Mayor Rahm Emanuel says that’s a reason one of the most politically successful initiatives he has pursued has been a program to provide tuition-free community-college educations to city high-school graduates.

Increasingly, middle-class voters also worry about job security. That’s where Mr. Trump has sapped away some of Democrats’ middle-class appeal, particularly with his tough trade rhetoric.

“Especially in Pennsylvania and the Midwest, there is a real belief the country hasn’t stood by them,” says Larry Cohen, chairman of Our Revolution, an activist group that has absorbed much of Sen. Bernie Sanders’s 2016 presidential campaign. “In Iowa, somebody said to me, ‘We like to make things and grow things.’ Well, good luck making things today.”

Part of the issue is cultural. As the Democratic Party has become more centered in urban areas and along the coasts, it has cemented its connection to younger and more highly educated Americans but has lost its appeal to some middle-class and would-be middle-class voters.

Hints of all these effects lie within the Journal/NBC News poll. Belief that Democrats are the champions of the middle class is notably low in the Midwest (33%), among rural voters (31%) and among white men with less than college educations (25%). Taken together, those voters make up the core Trump constituency.

The problem as well as the potential for Democrats can be found in another set of numbers. Just 20% of self-identified political independents say Democrats do a better job at looking out for the middle class. But belief in the Republicans is almost identically low. Perhaps the Democrats’ challenge is less to move left or right than to craft a message that appeals to them.

Write to Gerald F. Seib at jerry.seib@wsj.com

**THE WALL
STREET
JOURNAL**

Lazear : The Surprising Factor for Immigrant Success

Edward P.
Lazear

5-6 minutes

June 26, 2017 6:58 p.m. ET

Try a thought experiment: Consider immigrants in the U.S. from Algeria, Israel and Japan and rank them, from highest to lowest, by educational attainment. Here's the correct order, according to data from the Census Bureau: Algerians have average schooling of 14.7 years, followed by Israelis with 14.5 years, and Japanese with 14.3.

Surprised? Consider an additional fact: Algerians represent about 1 in 2,500 immigrants in the U.S., whereas Israelis are 1 in 350 and Japanese 1 in 100.

Here's another counterintuitive result: The average educational level in Mexico, 8.5 years, is almost twice that of India, 4.4 years. Yet Indian immigrants in the U.S. average 16 years of schooling, whereas Mexican immigrants average nine years.

What explains this? America's immigration policy is far from evenhanded. A potential immigrant's country of origin is an important determinant of his or her likelihood of being admitted.

The U.S. rations its immigration slots, granting permanent residency to about one million people a year. But demand is so high that more than four million are denied

residency and remain in the queue. Some origin countries are highly favored, and others are implicitly penalized. If immigration reflected the world population, India would send four times as many people to the U.S. as it actually does; Mexico would send 1/15th as many.

Immigrants from the least-favored countries tend to be the elite. For example, immigrants in the U.S. from the former Soviet Union have the highest educational attainment, 16 years on average. But they account for only about 0.14% of immigrants overall. They are rare because they had to obtain permission not only to enter the U.S. but also to leave the Soviet Union. Many were highly educated dissidents, accomplished academics or other professionals. The same is true, perhaps to a lesser extent, of immigrants from countries like Algeria.

The effect works the other way for immigrants from countries that are overrepresented. Tonga makes up 0.0015% of the world population but accounts for 0.04% of U.S. immigrants, and those people earn less than \$20,000 a year on average. In contrast, Nigeria is 2.6% of the globe but only 0.5% of U.S. immigrants, and they earn more than \$41,000 a year. This is true even though Tonga's average level of education is 9.4 years and Nigeria's is just 5.2 years.

One factor driving these patterns is American policies that favor family reunification. In most years more

than 60% of entering immigrants have relatives already in the U.S. Family reunification is a worthy goal, not only for humanitarian reasons but because people in intact families perform better in society. But focusing too heavily on reunification creates a disadvantage for would-be immigrants whose countries are not already well-represented in the U.S. It also pushes down the average achievement among immigrants.

Taking a more balanced approach would have several positive effects. First, it would improve the success of immigrants when they arrive in the U.S. Researchers have shown that immigrants in general, but especially those who are admitted based on their skills, are likelier to start businesses and patent inventions.

Second, this increased success would spill over to the native-born population. An immigrant who creates a thriving company or a better way of doing business improves the standard of living for all Americans.

Third, accepting skilled immigrants from many different countries would reduce the brain drain on any single one of them. If the U.S. switched to a skills-based system but still favored family reunification, it could quickly deplete countries like El Salvador, which today is 31-times overrepresented among U.S. immigrants. Because America is in the enviable position of being the destination of choice for people

willing to move, it can surely afford to be evenhanded toward source nations.

Some caution is warranted because immigrants from overrepresented countries have become central to the American economy. If productivity is reflected in wages, then immigrants from Mexico add about 1.5 times as much to gross domestic product as those from the next-highest source country, India, because there are so many more Mexican natives in the U.S. Furthermore, immigrants are well-integrated into the labor force. In the U.S., the unemployment rate among immigrants is about 10% lower than that for the native-born population.

Still, the relative achievement of immigrant groups is determined in large part by immigration policy. Almost every country can supply talented people who would like to come to America. Moving toward a fairer and more balanced treatment of these nations can improve the success of U.S. immigrants—which in turn would make the native born population more welcoming.

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**The
New York
Times**

Editorial : A Children's Health Crisis Officials Overlook: Shootings

The Editorial
Board

4-5 minutes

A memorial at a home where a 2-year-old accidentally killed herself with her father's gun. Daniel Brenner for The New York Times

Two decades have passed since Congress enacted a budget amendment forbidding federal money to be used "to advocate or promote gun control." This prohibition, a bow to the National Rifle Association, has had the effect of suppressing essential research by government agencies into how firearm violence affects public health. It's as if lawmakers fear that knowledge and the Second Amendment are somehow incompatible.

Fortunately, not all research has been stopped. A sobering report this month in the journal *Pediatrics* provides a detailed look at the devastating toll that gunfire has had specifically on America's children: a weekly average of 25 of them killed and 111 sent to emergency rooms. That translates into an annual total of nearly 7,100 dead and wounded children ages 17 and under. Only accidents, and cancers and other illnesses, kill more young people.

"Pediatric firearm injuries and deaths are an important public health problem in the United States," the study concluded, adding that "understanding the nature, magnitude and health impact of firearm violence against children is an important first step" toward making them safer.

That point would seem self-evident, but federal agencies like the Centers for Disease Control and

Prevention have stepped lightly on gun violence ever since that budget amendment went into effect. It may explain why this new study, though prepared in the main by C.D.C. researchers, appears not in a government document but in a journal of the American Academy of Pediatrics.

To some extent, the findings are not a surprise. Boys are notably at risk, especially as they get older. African-American children are far more likely than whites to fall victim to gunplay, and the highest death rates are concentrated largely in the South. Suicides are a vital concern as well. They account for 38 percent of the 1,297 gun fatalities among children averaged each year from 2012 to 2014. And from 2007 to 2014, the report said, suicide rates rose a startling 60 percent, with those deaths most notable among whites and American Indians.

Having guns around is plainly an invitation to trouble. "Suicides are often impulsive in this age group," and many children who try to kill themselves "spend 10 minutes or less deliberating," the researchers wrote. That makes "highly lethal means in a time of crisis a crucial factor in determining whether a suicide attempt will be fatal." In short, fewer guns mean fewer children dying.

The report makes reference to findings published last year in the *American Journal of Medicine*, which underlined how singularly American this threat to children is. That study, using data compiled in 2010 by the World Health Organization, compared firearm deaths in the United States with those for 22 of the world's wealthiest countries — most of them in Europe but also including Australia, Canada, Japan and South

Korea. Though this country had less than half the population of the others combined, it accounted for 91 percent of firearm deaths among children ages 14 and under. A

similar figure, 92 percent, was found for young people in their later teens and early 20s.

"These results," the authors of that report concluded, "are consistent with the hypothesis that our firearms are killing us rather than protecting us."

But don't let the Republican-controlled Congress hear that. It seems to believe that the less we know about gun violence, the better off we will be.

THE WALL STREET JOURNAL

Editorial : Religious Liberty Lives

June 26, 2017
6:48 p.m. ET 42
COMMENTS

3-4 minutes

Religious freedom is making a comeback at the Supreme Court, which ruled 7-2 Monday that churches can't be denied access to a public benefit because they're religious.

Trinity Lutheran Church in Columbia, Mo., applied to participate in a state program that recycles old tires to resurface school playgrounds. The church's application ranked fifth in quality out of 44, but the state denied its application under language in the state constitution that "no money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect or denomination

of religion." That is a relic of the anti-Catholic Blaine Amendments that swept the country in the late 1800s to deny public funds to religious schools. (*Trinity Lutheran v. Comer*).

Chief Justice John Roberts overruled the state, noting that the church isn't seeking a subsidy but only to participate in a public program "without having to disavow its religious character." Denying it participation for that reason violates the First Amendment's Free Exercise Clause. The state "has not subjected anyone to chains or torture on account of religion," Justice Roberts writes. "But the exclusion of Trinity Lutheran from a public benefit for which it is otherwise qualified, solely because it is a church, is odious to our Constitution all the same, and cannot stand."

Missouri tried to evade this logic by arguing that the case follows *Locke v. Davey* (2004) when the Court ruled that Washington state could bar a public scholarship program from being used to pursue a theology degree. This is different, Justice Roberts explained. "Davey was not denied a scholarship because of who he was; he was denied a scholarship because of what he proposed to do—use the funds to prepare for the ministry. Here there is no question that Trinity Lutheran was denied a grant simply because of what it is—a church."

One surprise in the ruling is that the majority included liberal Justices Elena Kagan and Stephen Breyer. They may have been appeased by an intriguing footnote in which Chief Justice Roberts avers that the case "involves express discrimination

based on religious identity with respect to playground resurfacing. We do not address religious uses of funding or other forms of discrimination."

That suggests a narrow opinion that isn't opening the door to other religious uses of state funds, such as school choice. But Justices Clarence Thomas and Neil Gorsuch wrote separately to draw out the broader principle that government may not exclude a group from a public benefit based on religion, period. The Justices are likely to see new challenges in this area, which may explain the ferocity of Justice Sonia Sotomayor's dissent. For now we'll hail even a narrow rejection of Blaine-style bigotry.

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The Washington Post

Editorial : The seal of biliteracy is a distinction worth celebrating

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

3-4 minutes

By Editorial Board

The Post's View

Opinion

Opinion A column or article in the Opinions section (in print, this is known as the Editorial Pages).

June 26 at 7:07 PM

AS THIS year's graduates walked down the aisle armed with Latin distinctions from valedictorian to summa or magna cum laude, tens of thousands of high school seniors also claimed an accolade dedicated to the languages they speak every day: the "seal of biliteracy," which

honors students who have demonstrated proficiency in English and another language.

The movement to create the seal started in California, where educators hoped to encourage English-language learners to pick up the skills they needed to succeed across disciplines without abandoning their native tongues. Now the District and 26 states, including Maryland and Virginia, offer school districts the option of adding the certification to diplomas — and students who grew up speaking English are eagerly seeking it out in their studies of languages from Spanish to Mandarin to American Sign Language.

The rest of the country would do well to follow these states' lead. Bilingualism and biliteracy make individual students more

competitive in the college application process and job market. Along the way, dual-language immersion helps students become better learners and thinkers generally and can help close the achievement gap not just for non-native English speakers but also for African American students and poor students. Cities and smaller communities also benefit from a biliterate population as they build business sectors with global reach.

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There are challenges. Schools across the country suffer from a shortage of teachers, especially those equipped for foreign-language instruction. And while some languages have associated standardized tests both in-state and nationwide, others do not. That

means it is up to school districts to develop pathways to proficiency tailored to each language, and up to states to evaluate whether those programs meet their standards.

The payoff for clearing those hurdles, though, is worth the effort — to states, to students and to their families. "I don't think you understand that this is the most important award in the Latino community," a mother told one of the leaders behind the California campaign for the seal. In that state, organizers say, "bilingual" was once a dirty word. To some, it still is. For many of those who speak their first sentences in another tongue, the language they grow up with is part of who they are. The seal of biliteracy tells them and the rest of us that is worth celebrating.