

Revue de presse américaine

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



Liberté • Égalité • Fraternité
RÉPUBLIQUE FRANÇAISE

Vendredi 30 juin 2017, réalisation : Samuel Tribollet



FRANCE - EUROPE3

Simone Veil, Ex-Minister Who Wrote France's Abortion Law, Dies at 89.....	3
FORBES : Managers Share Power In New French Revolution.....	3
THE VERGE : France's new startup campus is focused on fostering entrepreneurs with diverse backgrounds	4
Rampell : The E.U. has gotten much more popular. What happened?.....	4
Baffled by Brexit: With So Much Unknown, London Bankers Struggle to Plan.....	5
A Guide to the (Now Even More) Inscrutable 'Brexit' ..	5
EU Faces Post-Brexit Budget Battle.....	6
U.K. Parliament Votes in Favor of Conservative Policy Program.....	7
U.K. to Fund Abortions in England for Women From Northern Ireland.....	7
Why Britain Is Consumed With the 28-Year-Old Hillsborough Stadium Disaster	8
Eurozone's Confidence Hits Post-Crisis High.....	9
Editorial : Central Banks and the New Abnormal	9
Germany Criticizes Trump, Erdogan Ahead of G-20 Meeting	10
Angela Merkel predicts showdown with U.S. over climate at G-20.....	10
'Like We Don't Have Enough Problems': Trash Piles Up in Athens	11
Blank : Trump's Opportunity to Arm Ukraine	11

Cyberattack Launched for Pain, Not Profit, Experts Say.....	12
Ukraine's ransomware attack was a ruse to hide culprit's identity, researchers say	12

INTERNATIONAL13

After Defeating ISIS Together, Iraqi Kurds Seek Divorce From Baghdad	13
Islamic State Is Near Defeat in Iraq, Prime Minister Says (UNE)	14
ISIS Reverts to Insurgent Roots to Pose Long-Term Threat, Study Says	14
Iraqi forces recapture historic Mosul mosque, now little more than rubble	15
Editorial : A Syrian activist was a State Department ally. Now the U.S. won't grant him asylum.	16
There's No Space for Qatar to Save Face	16
NATO Announces Deployment of More Troops to Afghanistan	17
White House Says President Trump to Meet With Vladimir Putin at G-20 Summit	18
Pentagon: Russia Very Much a Threat to the United States	18
Spies Fear Trump's First Meeting With Putin	18
U.S. announces sanctions on Chinese bank, arms-sales package for Taiwan	20
Trump Administration Approves \$1.42 Billion in Arms Sales to Taiwan	20
Once a Model City, Hong Kong Is in Trouble (UNE) ..	21
Philippines' Combative Duterte Gets Opponent He Didn't Want: Islamic State.....	22
Duterte marks year leading Philippines the same way he began — urging crackdowns at any cost.....	23
Vatican Sex Abuse Scandal Reveals Blind Spot for Francis (UNE).....	23
George Pell: Top-ranking Vatican cardinal charged with sex offenses in Australia (UNE)	24
Miller and Sokolsky: Can secretary of State reclaim his job?.....	25
Editorial : A Sign of Hope From Mr. Tillerson.....	26
Trump Administration Tightens Limits on Getting Into the U.S., Targeting Six Nations and Refugee Program (UNE).....	27

Travel ban takes effect as State Department defines 'close family' (UNE)	27	Projected Drop in Medicaid Spending Heightens Hurdle for G.O.P. Health Bill (UNE)	34
Administration Moves to Carry Out Partial Travel Ban (UNE).....	28	GOP health-care talks center on stark question: Help vulnerable Americans or help the rich? (UNE).....	35
<i>ETATS-UNIS</i>	29	The Logic of Trump's Sexist Attack on Mika Brzezinski.....	36
Bernstein : Bipartisanship Dies on the Hill of		'It is really not normal': Both sides condemn Trump for vulgar tweet about TV host (UNE).....	37
Obamacare	29	Editorial : Trump clearly won't change. Here's what the rest of us can do.....	38
Frum : How Republicans Can Fix America's Health Care.....	30	Brzezinski and Scarborough: Donald Trump is not well39	
Krugman : Understanding Republican Cruelty.....	32	Trump Mocks Mika Brzezinski; Says She Was 'Bleeding Badly From a Face-Lift' (UNE).....	39
Zelizer : Trump is undoing the GOP health care bill, one tweet at a time	32	Zakaria : The Democrats' problem is not the economy, stupid.....	40
Strassel : The Simplicity of a Health Deal.....	33	Trump's trade plan sets up global clash over 'America First' strategy	41
Editorial : The ObamaCare Waiver Breakthrough	33	Editorial : Mr. Trump's For-Profit Campaign.....	42

FRANCE - EUROPE

**The
New York
Times**

Simone Veil, Ex-Minister Who Wrote France's Abortion Law, Dies at 89

Sewell Chan

Simone Veil, an Auschwitz survivor who as health minister of France championed the 1975 law that legalized abortion in that country, and who was the first woman to be chosen president of the European Parliament, died in Paris on Friday. She was 89.

The death was confirmed by President Emmanuel Macron, who offered condolences to her family on Twitter and called her life an exemplary inspiration.

"Her uncompromising humanism, wrought by the horror of the camps, made her the constant ally of the weakest, and the resolute enemy of any political compromise with the extreme right," his office said in a statement.

Trained as a lawyer, Mrs. Veil (pronounced vay) rose to the top ranks of public life, drafting legislation expanding the rights of prison inmates, people with disabilities and disadvantaged children, as well as anti-discrimination measures and expansion of health benefits.

In 2008, she became one of few politicians to be elected to the Académie Française, the august 40-member body that is the authority on the French language; Valéry Giscard d'Estaing, the president under whom Mrs. Veil served as health minister, is another.

Opinion polls routinely showed Mrs. Veil to be one of the most admired people in France.

The abortion law, still known as the Veil Law, was one of the most divisive actions taken by the government of Mr. Giscard d'Estaing and his first prime minister, Jacques Chirac.

In three days of debate before the National Assembly passed the law on Nov. 29, 1974, by a vote of 284 to 189, phrases like "an act of murder," "monstrous" and "France is making coffins instead of cribs" were hurled in the chamber. Critics likened abortion to Nazi euthanasia; one asked, "Madame Minister, do you want to send children to the ovens?"

Mrs. Veil told lawmakers: "I say this with total conviction: Abortion should stay an exception, the last resort for desperate situations. How, you may ask, can we tolerate it without its losing the character of an exception — without it seeming as though society encourages it? I will share a conviction of women, and I apologize for doing it in front of this assembly comprised almost exclusively of men: No woman resorts to abortion lightheartedly."

Abortion had been criminalized in France since the Napoleonic era. The law, which took effect on Jan. 17, 1975, made the procedure legal during the first 10 weeks of pregnancy (later extended to 12), and required that the procedure be carried out by a doctor at a hospital or clinic. Girls under 18 were required to obtain parental consent.

Mrs. Veil, whose parents and brother died in the Holocaust, rejected the comparison of abortion to murder as absurd.

Simone Jacob was born in Nice, France, on July 13, 1927, the youngest of four children of André Jacob, an architect, and the former Yvonne Steinmetz. She completed her baccalaureate, the diploma required to pursue university studies, on March 28, 1944, days before her arrest by the Germans.

She was deported, with her eldest sibling, Madeleine (nicknamed Milou), and their mother, to the Auschwitz-Birkenau death camp and then to Bergen-Belsen. The two sisters were freed on Jan. 27, 1945, but their mother had died of typhus days earlier.

Another sister, Denise, who entered the Resistance at the start of the war, and was arrested and deported to the Ravensbrück camp in Germany, survived.

But no trace of their father, André, and brother, Jean — last recorded in Lithuania on a convoy of French Jews bound for Estonia — was ever found.

"I'm often asked what gave me the strength and will to continue the fight," Mrs. Veil told an interviewer in 2005. "I believe deeply that it was my mother; she has never stopped being present to me, next to me."

Her left forearm forever carried the number tattooed on it at Auschwitz; she tended to wear long-sleeve dresses.

Resuming her studies in law and political science in Paris, Simone Jacob met Antoine Veil, who was enrolled at the École Nationale d'Administration, which trains France's top civil servants. He later became a businessman.

They married in 1946 and had three sons: Jean, Claude-Nicolas and Pierre-François. The middle son died in 2002, and Mr. Veil in 2013.

Mrs. Veil is survived by her two other sons as well as her sister Denise, and by 12 grandchildren. Her sister Milou died in a car accident in 1952.

In 1954, Mrs. Veil passed the extremely competitive national examination to become a magistrate. As an official in the Justice Ministry, she helped improve living conditions for female prisoners, including Algerians detained during their country's war for independence.

At age 47, she was plucked from the Civil Service by Mr. Giscard d'Estaing to serve as health minister, becoming only the second woman to hold full cabinet rank in France. (The first was Germaine Poinso-Chapuis, health minister from 1947 to 1948.)

Mrs. Veil left the government in 1979 to run for the European Parliament, in the first direct elections to that legislative body, for what was then the European Economic Community, a precursor to the European Union.

In her July 17, 1979, speech accepting the presidency of the Parliament, she said: "Whatever our political beliefs, we are all aware that this historic step, the election of the European Parliament by universal suffrage, has been taken at a crucial time for the people of the Community. All its member states are faced with three great challenges: the challenge of peace, the challenge of freedom and the challenge of prosperity, and it seems clear that they can only be met through the European dimension."

Mrs. Veil was president of the Parliament until 1982 and remained a member until 1993. She returned to the French government in 1993, as the under secretary of social affairs, health and urban issues, under Prime Minister Édouard Balladur, serving until 1995. From 1997 to 1998, she was president of the High Council for Integration, a body devoted to the assimilation of immigrants, and in 1998 she began a nine-year term as a member of the Constitutional Council, the country's highest legal authority.

Mrs. Veil was also the president of the Fondation pour la Mémoire de la Shoah, France's Holocaust remembrance organization, from 2000 to 2007, and chairwoman of the board of the Trust Fund for Victims, which supports victims of genocide, war crimes and crimes against humanity, in cooperation with the International Criminal Court, from 2003 to 2009.

She published an autobiography in 2007, in which she criticized the long delay in the French government's acceptance of responsibility for the murder of French Jews, whose deportations were organized by the collaborationist regime based in Vichy. The French state affirmed its "collective error" for the crimes only in 1995, during Mr. Chirac's presidency, after decades of equivocation.

When Mrs. Veil was elected to the Académie Française, the novelist Jean d'Ormesson paid her tribute, saying her "capacity to bring about support among the French" was crucial to her popularity.

"This support does not rest on mediocre and lame consensus among the countless opinions that never cease dividing our old country," he said. "It rests on the principles that you affirm and, against all odds, without ever raising your voice, manage to convince everyone of. We can say this without airs: In the heart of political life, you offer a moral and republican image."

FORBES : Managers Share Power In New French Revolution

Roger Trapp

The election of Emmanuel Macron as president of France earlier this year and his subsequent triumph in legislative elections is expected to lead to a concerted attempt at a widespread reform of the French economy. But it appears that a revolution in France's corporate world has already been under way for some time.

In the seven years or so since Brian Carney and Isaac Getz's book, *Freedom, Inc* (Argo Navis) was covered by *Forbes* the idea that managers do not always know what is best for their companies has taken hold across, not just France, but other French-speaking countries, including Belgium and Switzerland, and beyond. In a recent interview, Getz, professor of leadership and innovation at ESCP Europe Business School, said it had become "a real phenomenon", spanning hundreds of companies and public-sector bodies. Liberating leaders was an idea that had really resonated with people, but it was not something that they would readily embark upon alone, he said. Of course, there are well-known examples of other companies that have reduced or done away with hierarchies - notably the Brazilian industrial company Semco and the U.S. business W.L. Gore, maker of Gore-Tex waterproof fabrics and guitar strings among other things. But Getz's point is that in France there is an "ecosystem" that is

serving as an alternative to the more traditional command-and-control organizations that persist even at a time when consultants and theorists urge businesses to do more to empower and engage their workforces.

One of those involved is Herve Borensztein, the Paris-based regional managing partner for Europe and Africa of the leadership consulting practice at the executive search firm Heidrick & Struggles. He says that one of the reasons there is resistance to an idea that to many seems an obvious solution to the lack of engagement in workplaces is that many leaders have taken "so long to reach the top that they are not willing to share" power. But he is optimistic that the next generation of employees will be more willing to behave differently. Indeed, he sees it as no coincidence that the liberation movement is making such progress now. First, it is wanted by Millennials, he says. Second, digital technology makes it easier to achieve.

Borensztein's own conversion occurred early in his career as a mining engineer working in South America. He realized that all the technical training and logical thinking he had as an engineer would not get him anywhere on its own. "Unless you understand human nature you will never achieve anything," he says. But he admits it requires "boldness to admit that you don't know the answers". It also

requires looking at basic assumptions and challenging them and acknowledging that "people on the job know much more" than those supposed to be managing them.

Borensztein has seen this in action at Heidrick & Struggles client, the French multinational transport company Alstom. The services unit of Alstom Transport in Romania maintains the Bucharest subway system's rolling stock and is seeking to have its contract renewed next year. When managers started to look for opportunities for improvement as part of an effort to improve their chances of keeping the contract they found a serious disconnect between management and the shop floor. Middle managers were reluctant to cede control or collaborate across silos and employee engagement levels were low.

Alstom took the view that the hierarchical leadership model was no longer useful. Instead of trying to drive through a transformation project from the top, executives decided to push the energy for the changes required to all levels of the organization by fully engaging employees and empowering work teams to lead change. The idea was to create a shared strategy for improvement. A pilot project carried out last year cleared away bureaucracy and empowered frontline staff to run their own budgets, decide their own schedules and design their own ways of doing

things. The results were by any measure impressive. Lead times for maintenance tasks dropped 20 to 30%, total hours worked fell by 10 to 15%, cleanliness scores for trains reached the highest possible levels, absenteeism fell by 30% and employee engagement scores topped 90%. Unsurprisingly, the strategy is now being rolled out across the business.

Borensztein's view is that, with more and more organizations becoming interested in the approach, we are seeing a "new age of leaders" who need to ask questions rather than bring solutions. Whether the phenomenon is behind what many regard as France's surprisingly high productivity scores will require further study. But Both Borensztein and Getz are convinced that a system of management that was designed to enable the direction of as many employees as possible by as few managers as possible is not suited to a highly volatile world in which information and knowledge is much more easily accessed than it was. As Getz says: "Command and control is not natural to human beings. People at home don't function like that."

I am a journalist with a special interest in all aspects of management, but especially leadership.

THE VERGE : France's new startup campus is focused on fostering entrepreneurs with diverse backgrounds

Located in a 366,000-square-foot train depot

by [Shannon Liao](#)

France is [launching the world's](#) largest startup campus in a converted railway depot in Paris, and it's keeping the door open for those from underprivileged backgrounds. The space, now dubbed Station F but previously known as the [1920s-era freight hall Halle Freyssinet](#), opened its doors this week to eligible startups from around the world. The building is 366,000 square feet and contains 3,000 desks, an

onsite restaurant and bar, and eight event spaces.

The space will host companies from 26 international programs, and the French government is working with the city of Paris to build nearby housing starting in 2018. This is all part of a larger push from France to foster homegrown entrepreneurship and try and build a incubating tech culture like that of California's Silicon Valley. Station F is being primarily backed by French telecom mogul and billion investor Xavier Niel, to the tune of around €250 million.

Most of the startup programs Station F supports are run by established tech companies like Facebook and Microsoft, but the organization is also offering acceptance to Station F through two original programs. There's the Founders Program, which you can join by paying €195 (\$223.13) a month per desk, and the Fighters Program, which is free so long as you apply and are accepted. Station F says it's already accepted more than 200 startups through its Founders Program.

The Fighters Program is a one-year commitment for those "who have a

killer entrepreneurial mindset and a business with potential, but weren't born in a privileged environment," according to the Station F website. Fighters could include those from the French suburbs, immigrants, refugees, and those with difficult personal stories, according to the organization. Station F's release encourages people to join, saying, "if you can become an Uber driver, you can start a startup."

The Washington Post

here on the French border with Germany, has not exactly been popular in recent years.

Complaints about unelected bureaucrats, lack of transparency, compromised sovereignty,

Rampell : The E.U. has gotten much more popular. What happened?

The European Union, whose parliament meets

unrestricted migration and costly member obligations have all fueled Euroskepticism.

The best conversations on The Washington Post

But it seems the E.U. has finally gotten its groove back.

Two new surveys find that over the past year, citizens of E.U. member countries have decided that maybe this whole European idea — the ambitious postwar project to promote continental peace and prosperity — isn't so terrible after all.

The first survey, from Pew Research Center, polled people in 10 E.U.

countries. In all but one, fond feelings for the union increased, most by a sudden huge amount. Here in France, favorability rose from 38 percent last year to 56 percent this spring (an increase of 18 points). Across the border in Germany, it went from 50 percent to 68 percent. Even in Brexiting Britain, positive sentiment for the E.U.

climbed from 44 percent to 54 percent.

The other survey, from the European Commission's Eurobarometer, also found an upswing in the share of European citizens who view the E.U. positively and have trust in it. Again, the upswing occurred in virtually every country.

What's going on? How did the E.U. turn its reputation around?

To some extent, Europeans may simply be realizing that the grass isn't actually greener on the other side — the other side being, in this case, life outside the European Union.

Britain's upcoming exit has led to political chaos and economic uncertainty, not to mention sagging consumer confidence and departing jobs. Tens of thousands of jobs may leave London's financial sector alone.

The same Pew survey found that majorities of nearly every country say Brexit will be bad for both the E.U. and Britain. Even a plurality of

Brits believe Brexit will end badly for them. (Greece, which was threatening to "Grexit" the euro zone before departure portmanteaus were cool, is the only surveyed country in which a plurality believes Britain will be better off.)

Perhaps other E.U. members have watched Britain's isolationist dysfunction and started to better appreciate the European project, even with its many flaws.

Not just coincidentally, in no country that Pew surveyed did a majority of respondents say they want to leave the European Union. This finding jibes with other recent polls.

Nonetheless, even though they don't want to leave, in nearly all of the countries at least half of respondents still want to hold a referendum to vote on whether to leave.

This may seem peculiar, given that Britain got such an unwelcome surprise when it held its own referendum. But this desire to hold a vote may reflect frustration with the lack of say in what happens in Strasbourg (and Brussels,

Luxembourg and Frankfurt, where other major E.U. business gets done). A referendum could be viewed as a way to gain more leverage over E.U. officials, even if the vote is really a bluff.

"People think that voting will empower them," says Luigi Zingales, a University of Chicago professor who has studied economic and public opinion trends in the E.U. "Most Europeans are happy with the idea of some form of European integration and the common market. They just want more voice in the process."

Zingales also argues that a force bigger than Brexit may be more important in reviving the E.U.'s reputation: the fact that finally, a decade after the global financial crisis struck, so many European economies are actually improving.

Zingales notes that in the Pew data, only his home country of Italy hasn't started feeling more warmly toward the E.U. Italy also happens to be the only surveyed country whose citizens are more pessimistic about

their economy today than they were a year ago.

"When things go poorly, you blame everybody: your government, the E.U. government, probably also the United Nations," he says. "When things go well, maybe you're now sort of okay with everything."

Lending credence to this theory is that trust in the E.U. government and trust in national governments have been rising in virtual lockstep, according to the Eurobarometer data.

In other words, a healing economy may lead to less scapegoating, more political stability. As things get better, people realize they overreacted, and their far-right, anti-immigrant, anti-internationalist, burn-it-all-down feelings subside.

If economics are indeed what's driving the retreat from insularity in Europe, that bodes well for the United States, too. Our recovery, after all, is light-years ahead of most of Europe's. Maybe our fever will break soon as well.

Catherine Rampell

THE WALL STREET JOURNAL

Max Colchester

LONDON—The City of London is back in the dark over Brexit after this month's U.K. general election muddled the outlook for the U.K.'s departure from the European Union. Banking chiefs here have been left to wonder whether to accelerate plans to move operations into the EU.

Earlier this week, Prime Minister Theresa May sealed a deal with a group of Northern Irish lawmakers that will keep her Conservative Party in government despite the loss of its parliamentary majority. But with Mrs. May's position weakened and a reshuffle of several high-level political backroom staff, the spectrum of Brexit outcomes facing banks has widened.

The likelihood of the U.K. crashing out of the EU without a deal has increased, but equally so has the chance Britain could push for closer ties with the trading bloc, analysts and bankers say.

"A lot is open to debate again," says Stephen Adams, a partner at consultancy Global Counsel.

Baffled by Brexit: With So Much Unknown, London Bankers Struggle to Plan

Pressure from regulators is mounting. By July 14, financial firms in the U.K. must submit plans for life after Brexit to the Bank of England. In particular the central bank wants to know what lenders will do if the U.K. is suddenly cut off from the single market.

Major banks have mostly drawn up their blueprints based on a worst-case scenario. Morgan Stanley, for instance, is expected to finalize a plan in the coming weeks to create a hub in Frankfurt and bulk up several European offices, according to people familiar with the matter. Japan's Daiwa Securities Group Inc. and Nomura Holdings Inc. both announced this week they will also look to move operations to Frankfurt.

But the extent to which the banks will have to execute these plans remains unknown. If the British government opts to negotiate close ties to the EU, then banks may be able to maintain a bigger chunk of their operations in the U.K.

Summer drinks receptions around London's square mile this week were regularly punctuated with

bankers lamenting Brexit uncertainty. "We don't know who to call in government," says one public affairs chief at a major British bank. Another joked that the only person who would answer the banks calls was "Larry," the Downing Street cat.

Up until last month, investment banks in London were preparing for an exit from the EU's single market and customs union. Several lenders detailed plans to move operations and hundreds of staff into the EU to ensure they could sell to clients there. The lobbying battle had reduced to ensuring banks have enough time to restructure their operations before the U.K. formally quit the trading bloc.

The surprise electoral result upended this. "The election results gave an opportunity to reflect and reset the tone as the U.K. enters negotiations," says Catherine McGuinness, Policy Chairman, City of London Corporation, which promotes the city as a financial services center.

In the days after the vote, banks began to mull a public relations drive via trade associations to push the

government to secure greater access to the EU for financial services and soften its stance on immigration, officials say. The momentum stalled as bank staffers struggled to get a clear understanding of the government's thinking on Brexit and which officials they should lobby, officials say.

There have been wholesale changes in government, with key aides to Mrs. May resigning and a new City Minister, whose job is to manage relationships with financial services, appointed. It was the seventh new City Minister in five years.

Some politicians have seemed open to the banks' demands. U.K. Treasury chief Philip Hammond called for comprehensive free trade in goods and services via "a transition that protects the free-flow of trade across our borders," during a speech in Germany on Tuesday. But the position of the U.K.'s Brexit secretary, David Davis, remains less clear cut.

The New York Times

LONDON — Talks on Britain's

A Guide to the (Now Even More) Inscrutable 'Brexit'

Stephen Castle

withdrawal from the European Union, known as "Brexit," are finally underway and will ultimately

determine the country's international future for decades to come. But the government's negotiating strategy

and objectives have become less certain, and the outcome of the talks is less predictable than ever.

The Conservative Party's loss of its parliamentary majority in the recent elections has shuffled the deck of possibilities once again and left Prime Minister Theresa May scrambling to hold on to her position. Not only did the prime minister lose a lot of her authority, but she also failed to win popular endorsement for her planned clean break with the European Union. On Thursday, she won Parliament's approval for her legislative program, with the support of 10 lawmakers from Northern Ireland.

Both Mrs. May's Conservative Party and the opposition Labour Party remain committed to last year's referendum decision to leave the European Union. But they disagree on what sort of deal to negotiate. Tensions over Europe are resurfacing among Mrs. May's senior colleagues, and she will face grueling battles in the British Parliament (and possibly in the Scottish one, too) to get withdrawal legislation passed.

Just as tough is the task facing Mrs. May's government in the negotiations with Brussels, in which the remaining 27 European Union nations have — so far — kept a unified front.

How might it all end? No one knows for sure, but here are four possibilities.

No Deal

Mrs. May has long insisted that no deal is better than a bad deal, though she has been saying that less emphatically since her election debacle. Business leaders say that a bad deal would have to be very punitive indeed to be worse than a breakdown of talks. That would lead to a "cliff edge" for British companies, which would lose their current arrangements for access to European markets in 2019.

While significantly less likely since the election, the "no deal" possibility should not be dismissed out of hand. The European Union requires progress on Britain's "divorce terms"

before the future trading relationship can be discussed. The divorce includes sensitive issues like Britain's outstanding financial commitments to the bloc — which could result in a bill of as much as \$75 billion. Mrs. May (or a successor if she falls) might reject such a hefty price tag, walk out of talks and try to rally support among voters in Britain by claiming that Europeans were trying to punish them for leaving. For a fragile government, that would be a high-risk strategy indeed — but so would agreeing to an expensive and economically damaging exit.

A Clean Break

Mrs. May says she wants Britain to leave the bloc's Customs Union, which eliminates tariffs, so that Britain can make global trade deals independently. She also wants to quit the European single market, which smooths trade in services, because leaving would end the free movement of European workers, in that way restoring national control of immigration. According to her plan, those arrangements would be replaced by a comprehensive trade agreement with the European Union.

While this remains a likely outcome, with the Labour leader Jeremy Corbyn reportedly telling people that he expects to be prime minister within six months, there is obviously a long way to go. Mrs. May could lose a vote of confidence, leading to a disruptive Conservative leadership contest and the possibility of the Labour Party profiting from the division to win back control of the government. That could further dilute support for a clean break.

Even barring a seismic event like that, there is widespread and growing acceptance that negotiating a new trade deal with the European Union cannot be done before March 2019, when Britain is scheduled to leave. That might lead to a "clean break plus," a transition period of several years to give the British economy breathing space, a

strategy being championed by the chancellor of the Exchequer, Philip Hammond.

Such an approach would most likely involve accepting, during the transition, current rules on the freedom of movement of European workers (and the jurisdiction of the European Court of Justice). It would probably also mean that Britain would have to agree to a divorce payment, effectively buying its economy time to adjust to new circumstances. All in all, that could prove expensive and would involve compromises. But when staring over a cliff edge, an economic parachute starts to look attractive, even if it comes with a big price tag.

'Soft Brexit'

After the grave election setback for Mrs. May, the idea of a "soft Brexit" that gives priority to economic considerations over control of immigration has gained traction. The politics are complicated. Eight out of 10 voters in the general election opted for parties that accepted the outcome of the referendum, including the opposition Labour Party. But Labour wants to keep closer economic ties to the bloc, as do the Liberal Democrats, the Scottish National Party and the Greens. Together, those parties garnered more than half the vote.

For now, Mrs. May rejects the softer withdrawal. However, some analysts say they suspect that the government's position will shift later in the negotiations and that London may seek a type of membership of the Customs Union. If not, the government might struggle to get withdrawal legislation through Parliament.

Resistance might come from the House of Lords, the unelected, upper chamber of Parliament that revises legislation. But the House of Lords will probably — eventually — take its lead from the elected House of Commons.

That makes the position of the Labour Party crucial. By opposing

the Conservative Party's detailed plan for withdrawal (rather than the principle of withdrawal), and pressing for some sort of membership of the Customs Union, Labour might force ministers to change course — and, if it's lucky, bring down the government in the process.

Never Mind

"You may say I'm a dreamer, but I'm not the only one," the European Council's president, Donald Tusk, quoting John Lennon, said when asked about the prospect of Britain's remaining inside the European Union. With both the Conservative and Labour parties committed to leaving, that remains unlikely. It would require a significant further shift in public opinion in favor of remaining, more so even than in the recent election, before lawmakers would start to feel the heat. Even then, it would tear apart the Conservative Party and invite a white-heat campaign against the government by Britain's tabloid newspapers.

Nevertheless, there are signs of a slowdown in the British economy, and if conditions were to worsen during the negotiations, the withdrawal from the European Union could become increasingly unpopular. As the trade-offs become clearer, voters might conclude that the gains promised by the "Leave" campaign during the referendum were either bogus (like the 350 million pounds, or about \$446 million, a week to be made available for the National Health Service) or likely to be outweighed by the losses.

Reversing the withdrawal would probably involve a change of government and another referendum, and all that is hard to envisage. But if the recent volatility of British politics proves anything, it is that the unlikely is possible.

THE WALL STREET JOURNAL

EU Faces Post-Brexit Budget Battle

Laurence Norman

Beneath the surface of the unusual unity the European Union has shown in the face of Brexit negotiations looms a serious fight over money among the other 27 nations.

For now, the 27 are together. It is in all their interests to maximize future U.K. payments to the bloc—Britain's so-called divorce bill—as one of its biggest budget contributors departs.

But even before the size of the bill is settled, a separate battle among the 27 is ahead, pitting governments that are net recipients from the EU budget against net payers, some of which are promising voters they won't pay a penny more.

With EU officials talking about a €20-billion (\$22.7-billion) budget gap in coming years because of Brexit and extra responsibilities the bloc has pledged to take on, the budget fight has the potential to reopen deep divisions within the EU at a

critical moment in talks about Britain's exit.

Adding an extra dose of tension to the coming budget debate are proposals by Germany and some other western European governments to use the budget to prod the bloc's poorer countries into line on issues like migration, democratic principles and the rule of law.

There is simmering frustration among major net payers like Germany, Sweden and Belgium that

they took in large numbers of refugees during the 2015 migration crisis, while some of the bloc's biggest recipients of EU funds—like Hungary, Poland and Slovakia—refused to settle asylum seekers.

"We really want to make clear that solidarity is a two-way street," said one European diplomat.

Were it not for Brexit, the EU budget fight would already be in full swing. The EU works on a seven-year budget cycle in which overall spending levels are fixed in advance

to allow long-term planning for programs and priorities. The current multiyear budget period, which started in 2014, ends in December 2020. The EU is supposed to have a new budget deal in place by the end of 2019 at the latest.

Instead of presenting its budget plans, as intended, before the end of this year the EU's Budget Commissioner Günther Oettinger will do so in 2018. Negotiations are due to start next summer, with Mr. Oettinger arguing there is no point bargaining over the next budget until the financial hit created by Brexit is clearer.

That impact will depend in large part on the degree to which Britain stands by its past spending pledges, including contributions to the 2019 and 2020 EU budgets. The U.K. is due to leave the bloc in March 2019.

The EU has fixed negotiations on Britain's divorce bill as a priority issue it wants settled in principle by October. Brussels officials say the U.K. should hold to upward of €60 billion of past spending pledges to the EU. British officials are questioning the EU's right to fix any divorce bill and suggesting an agreement on the country's financial commitments will only come when Brexit talks end, expected in October 2018.

Speaking in Brussels on Wednesday, Mr. Oettinger estimated the bloc would be "down €10 to 11 billion" annually once the U.K. departs. The total gap, he said, could be twice that given additional EU pledges on future defense, economic programs and migration spending.

"We have got a large country, a net payer which will be departing so we

need to look at shifting expenditures and making cuts," he said.

Some routes to savings are relatively clear. The percentage of the budget spent on agriculture and fisheries, currently just below 40% of the roughly €1-trillion 2014-20 budget, will likely remain on a downward path.

It is also likely that so-called cohesion spending, which earmarked €63 billion to 15 poorer EU member states in the current seven-year budget, will fall after 2020, with the EU offering fewer grants to the likes of Poland, Hungary and the Czech Republic, officials say.

In a paper issued on Wednesday about future EU budget options, the European Commission proposed other ways of filling the gap, including reviving a push for Brussels to receive more of its

revenue directly from EU taxes. European officials say the ideas will be discussed but member states have long preferred the current system, where 90% of the funds come from member-state coffers. That means governments hold the bloc's purse strings and can better steer its priorities.

Some EU officials suggest that starting budget discussions while Brexit negotiations are wrapping up could actually reinforce the cohesion of the EU's remaining 27 members. They argue it would keep the group focused on ensuring a large British divorce bill and keep governments focused on protecting and defending the EU. On the other hand, it could end in a terribly timed and bitter EU fight.

THE WALL STREET JOURNAL

U.K. Parliament Votes in Favor of Conservative Policy Program

Jason Douglas and Jenny Gross

LONDON—Prime Minister Theresa May won a critical parliamentary vote on Thursday to approve her policy program, overcoming the first of what is likely to be many challenges to her authority in the months ahead.

U.K. lawmakers backed Mrs. May's legislative agenda by 323 votes to 309, a slender margin that underscores the prime minister's limited room for maneuver in Parliament after she called elections that resulted in her Conservative Party losing its majority.

Thursday's win was possible only after a pact signed this week between the Conservatives and Northern Ireland's small Democratic Unionist Party delivered Mrs. May an extra 10 votes that enabled her to face down opposition to her government from an emboldened Labour Party and other, smaller groups.

The prospect of a minority Conservative government propped up by the DUP following Mrs. May's election misfire has cast doubt on her future as

prime minister, concerns magnified by her perceived hesitancy in responding to a fire in London's Grenfell Tower apartment block that killed about 80 people.

The prime minister's slim majority leaves her vulnerable to rebellion among lawmakers in her party, which is deeply split over how Britain's future relationship with the European Union should look.

It has also raised questions about the government's ability to successfully negotiate Britain's withdrawal from the EU and deliver on other policies.

Tim Bale, politics professor at Queen Mary University of London, said Mrs. May "got over the first hurdle" but her weakened position means she now faces the risk of opposition from both pro- and anti-EU Conservative factions. "There could be trouble from both sides," he said.

The government survived Thursday's vote "by the skin of its teeth," Labour leader Jeremy Corbyn said in a statement following the vote.

Signs that the government's unity on Brexit policy may be fraying have already appeared. This week Brexit secretary David Davis accused Treasury chief Philip Hammond of inconsistency over his support for a multiyear transition deal to ease departure from the bloc for companies. The two senior ministers also seemed to clash over whether the U.K. should remain attached to the bloc's customs union, which sets common tariffs on imports from outside its borders, during that transition.

Splits over Brexit also came into the open Thursday within Labour. An amendment to the government's legislative program presented by Labour lawmaker Chuka Umunna called on Britain to stay in the EU's customs union and in its single market, which sets common rules for goods and services. The amendment was voted down but dozens of Labour lawmakers supported it in defiance of Mr. Corbyn. Three rebels in his top team were subsequently sacked, while another resigned.

The domestic unease comes as Brexit talks began last week with disagreement over how to protect

the rights of EU citizens in Britain after the U.K.'s departure and the rights of British émigrés in Europe. That spat likely foreshadows bigger fights to come on thornier issues such as how much the U.K. will have to pay to settle past commitments to the EU budget and how to forge a new economic relationship.

Minority governments are rare in the U.K. and have tended to be short-lived. The Conservatives' alliance with the DUP extends only to critical votes, so Mrs. May will need the backing of other parties to pass legislation in areas such as counterterrorism. She showed a slimmed down policy program to Parliament that skipped many of the Conservatives' key election pledges.

Among those left out was a flagship proposal from the party's election manifesto to reform elderly care in Britain that had bombed with voters. The Conservatives also ditched plans to tweak benefit payments for retirees that were opposed by the DUP.

The New York Times

U.K. to Fund Abortions in England for Women From Northern Ireland

Stephen Castle

LONDON — In a first demonstration of the new reality in Parliament after the recent election, Prime Minister Theresa May and her shaky new government buckled under pressure on Thursday and agreed to fund abortions in England for women from Northern Ireland.

It was an abrupt rebuff to the Conservatives' new ally, the Democratic Unionist Party of Northern Ireland, a fierce opponent of abortion and gay marriage that had appeared to advance its socially conservative agenda this week by agreeing to keep Mrs. May in power.

The issue is a delicate one because in Northern Ireland abortions are

allowed only if a woman's life is at risk or there is a permanent or serious risk to her physical or mental health. Pregnant women who travel to England, where the law is much less restrictive, currently have to pay for terminations.

The about-face on the issue was bitterly denounced by abortion opponents. "This is a black day for

unborn children, for mothers and for democracy," said John Smeaton, chief executive of the Society for the Protection of Unborn Children. "It's a great day for the abortion industry, which cares nothing about unborn children and for the welfare of women."

The government's announcement came before a vote on the issue in

Parliament, on an amendment forced by Stella Creasy, a lawmaker for the opposition Labour Party, and amid signs that some of Mrs. May's Conservative Party legislators might rebel, putting her parliamentary majority in doubt.

The concession underlines the precariousness of the government's position, and its vulnerability to political ambush in Parliament, where it now runs the constant risk of losing votes after Mrs. May lost her majority in recent elections.

On Thursday, the former chancellor of the Exchequer, George Osborne, who was fired last year by Mrs. May and is now a newspaper editor, posted on Twitter his front page headline "Abortion vote chaos hits May" and adding as a commentary:

Conservative worries about the ability to win votes in Parliament were displayed on Wednesday when the foreign secretary, Boris Johnson, was summoned from Switzerland to vote on the Queen's Speech, which outlines the government's legislative program. On Thursday, Mrs. May left meetings in Berlin early to ensure

that she could attend the final vote on the Queen's Speech, which the government won by a vote of 323 to 309 with the help of the largely Protestant Democratic Unionist Party, or D.U.P.

But their support has come with a political — as well as financial — price. Critics have denounced the deal with the D.U.P. as "shoddy" or "grubby," because it was secured with a pledge of around \$2 billion in additional spending for Northern Ireland. Scottish and Welsh politicians are particularly resentful, believing that their constituents should also have similar protection from budget cuts, but even some Conservative lawmakers are unhappy.

"I can barely put into words my anger at the deal my party has done with the D.U.P.," Heidi Allen, a Conservative legislator, said in Parliament.

Others have suggested that because of its reliance on the D.U.P., the British government will no longer be able to act as an honest broker in trying to secure a power-sharing agreement among

the political parties in Northern Ireland. Negotiations on that issue were extended on Thursday, despite the lack of agreement when the latest deadline expired in midafternoon.

Under the deal with the Conservatives at Westminster, the D.U.P. guaranteed its support for Mrs. May's party on crucial confidence and finance votes, and on the issue of Britain's withdrawal from the European Union, effectively keeping the government from falling.

Both the Conservative Party and the D.U.P. emphasize that they have not formed a coalition, and that their arrangement in Parliament falls short of a deal on a full policy program. As such, the decision to fund abortions does not breach any part of the accord.

The government concession was announced by the chancellor of the Exchequer, Philip Hammond, who was asked by a Conservative lawmaker, Peter Bottomley, why, in the case of women from Northern Ireland, "only the poor should be denied lawful abortions."

Mr. Hammond replied that Justine Greening, the minister for women and equalities, was in the process of announcing by letter "that she intends to intervene to fund abortions in England for women arriving here from Northern Ireland."

The British Pregnancy Advisory Service, an organization that supports abortion rights, described the change as a "landmark moment," but, in a statement added, "Clearly this is not the solution to the gross injustice whereby women in Northern Ireland are denied access to abortion care at home, and we look forward to seeing progress on that front."

Jo Swinson, a lawmaker from the centrist Liberal Democrats who supported the amendment on abortion, said the government's decision showed "the power of cross-party pressure." She added that it was "embarrassing that the health secretary had done nothing on this so far and only the threat of a defeat prompted change."

**The
New York
Times**

Why Britain Is Consumed With the 28-Year-Old Hillsborough Stadium Disaster

Amanda Taub

Prosecutors announced criminal charges on Wednesday arising out of the Hillsborough Stadium disaster, in which 96 supporters of Liverpool's soccer team were fatally crushed and trampled in 1989 at a game in Sheffield, England.

There is no statute of limitations for serious crimes in Britain. Still, it is unusual for charges to be filed in such an old case.

But Hillsborough is unique. The death toll, which included 37 teenagers, and the number injured, more than 700, while severe, are not the only reasons the case has stayed active for so many decades.

Recent investigations have concluded that police negligence caused the tragedy. The police opened a gate that allowed a crowd of people to rush into the stadium, crushing those who were trapped inside. And when the chaos began, the officer in charge called for more security rather than ambulances.

At the time, the police accused the Hillsborough victims and other Liverpool fans of causing the disaster through their own drunkenness and disorder, a narrative that the news media eagerly echoed. That made the event a flash point in the public debate over class, poverty and the

responsibility of government to its citizens. And because those issues have remained central to British politics and life ever since, so has Hillsborough.

How Did Hillsborough Become a Political Flash Point?

Soccer, at least at the time, was associated with the poor and working class, and particularly with "yob" culture, British slang for unruly, dangerous, drunken louts, and a term often used to deride the poor.

In the aftermath of the Hillsborough disaster, those stereotypes were convenient for the police, who took advantage of them to claim that the deaths were the fault of intoxicated Liverpool fans, not the officers in charge.

That version of events also played to a critical political argument in Margaret Thatcher's Britain, where the Conservative government argued that the poor ought to take more personal responsibility and be less dependent on government support. Hillsborough came to symbolize what the government portrayed as self-destructive behavior that needed to be curbed through cultural and behavioral change rather than state assistance.

When victims' families insisted that the police were to blame, that was

held up as evidence of a toxic culture of the poor shirking responsibility for the consequences of their actions.

That frame proved persistent over the years. In 2004, *The Spectator*, a right-leaning political magazine then edited by Boris Johnson, now the foreign secretary, published an editorial that accused Liverpool, which had fallen into rust-belt decline, of having "an excessive predilection for welfarism." The editorial said there was "no excuse for Liverpool's failure to acknowledge, even to this day, the part played in the disaster by drunken fans."

Mr. Johnson eventually apologized for the column.

The debate over what happened at the stadium, charged by these larger social issues, has continued ever since. Each round has set off new demands from the victims' families for an investigation that could clear the names of their loved ones, perpetuating the controversy.

Why Are Charges Being Brought Now?

The turning point in the case came in 2010, when, after extensive lobbying by victims' families, the British government agreed to set up an independent commission to investigate the disaster. An earlier

judicial inquiry had faulted the police for a lack of control but did not clear spectators of blame, leaving the families unsatisfied.

The new commission concluded there was no evidence that the victims were to blame for what happened. It also found that the police had not only failed to anticipate or contain the disaster, but also doctored witness statements and other evidence after the fact to hide their own culpability.

The political environment of 2012, when the report was released, was very different from 1989. David Cameron, the Conservative prime minister at the time, sought to present a more sympathetic Tory party, distinct from the sharp edges of the Thatcher years. He took the report as an opportunity to demonstrate sympathy and sorrow for Hillsborough, reading a speech in Parliament denouncing the "double injustice" that victims had experienced.

The report and political response to it, along with a later inquest, which declared that the victims had been "unlawfully" rather than accidentally killed, gave new energy to calls for criminal charges against the police officers involved in the disaster.

What Will Happen Next?

Five years later, the report's findings have worked their way through the British justice system, culminating this week with the charges filed against seven individuals for their roles in the disaster.

David Duckenfield, the officer in charge of security at Hillsborough,

THE WALL STREET JOURNAL

Paul Hannon

Eurozone businesses and consumers were more optimistic in June than at any time since before the global financial crisis, reflecting a pickup in economic growth and voters' recent rejection of political parties hostile to the European Union.

The European Commission's Economic Sentiment Indicator, which aggregates business and consumer confidence, jumped from 109.2 in May to 111.1—its highest level since August 2007. Economists surveyed by The Wall Street Journal last week had expected a more modest rise to 109.5.

The surprisingly strong improvement should aid the eurozone's recovery, since businesses and households are likely to spend more freely if they feel more confident. That increases the likelihood that the European Central Bank will soon step back from the economic stimulus measures it has provided since mid-2014.

"Political winds are becoming tailwinds," ECB President Mario Draghi said in a speech Tuesday. "There is newfound confidence in the reform process, and newfound support for European cohesion, which could help unleash pent-up demand and investment."

June's rise in sentiment was aided by France, where the country-

has been charged with 95 counts of grossly negligent manslaughter. He admitted in testimony before the inquest that he had previously lied to investigators when he claimed that spectators had forced open a gate that allowed the deadly crush of people into the stadium. Others are

charged with obstructing justice and violating safety rules.

These charges may be the beginning of the final chapter of the Hillsborough disaster. But for the families it will be cold comfort.

"The loss of all your children is devastating," Trevor Hicks, whose

two teenage daughters died in Hillsborough, told the inquest. "You lose everything: the present, the future and any purpose."

Eurozone's Confidence Hits Post-Crisis High

specific reading climbed to 109.8 from 107.6 in May. This was in response to Emmanuel Macron's victory in May's presidential elections and the strong showing of his party in subsequent legislative polls. The pro-EU centrist has pledged to remake the country's aged labor regulations and give the eurozone's second-biggest economy the vigor it has long lacked.

Speaking in London after an ECB gathering of policy makers in Portugal, Federal Reserve Bank of St. Louis President James Bullard said he had detected a new sense of optimism following Mr. Macron's victory, which may open the way for changes to the way the currency area's economy is managed.

"You have a sort of springtime here in which there will be renewed efforts on the European project, to move it forward," he said.

Other large eurozone countries also saw big jumps, including Germany and Spain.

Manufacturers across the 19-country currency bloc were particularly upbeat—a mood echoed by Germany's VDMA engineering federation, which Thursday raised its sector output forecast, citing better-than-expected demand from the eurozone and Asia.

"Everything is in place for a new upswing," VDMA Chief Economist Ralph Wiechers said.

The pickup in confidence has coincided with renewed optimism about the future of the EU. Pessimism about the bloc's prospects grew in the wake of the financial crisis and revived in 2016 after Britons voted to leave the EU. But the first half of 2017 saw a change in outlook, with the commission's biannual Eurobarometer survey recording that 56% of the 28,007 people questioned between May 20 and May 30 felt optimistic—the highest proportion since early 2015.

That revival is something of a surprise. Coming into 2017, nationalist political parties that were hostile to both the bloc and the euro appeared to have momentum, while the U.K.'s Brexit vote was a major blow.

However, those anti-euro forces failed to make a great deal of headway with the public, and there was a firming in the eurozone's recovery and a continuing fall in unemployment. In the Eurobarometer survey, 46% of respondents described the EU's economic situation as "good," the highest proportion since before the global financial crisis.

The ECB has referenced the return of optimism as one reason for its improved view of the eurozone's economic prospects. Indeed, the pickup in confidence is consistent with other signs that economic growth sped up in the three months

through June, having already accelerated in the first quarter.

On Tuesday, Mr. Draghi hinted that the central bank might start winding down its stimulus in response to accelerating growth.

But the ECB views strengthening growth as a means to its end of raising inflation to just below 2% and it doesn't expect to meet that goal within the next three years.

"June's EC business and consumer surveys point to a sharp acceleration of eurozone growth, which will increase speculation about ECB asset purchase tapering to come and add to upward pressure on the euro," said Jessica Hinds, an analyst at Capital Economics. "But with inflation expectations still subdued, we doubt that the ECB will raise interest rates until 2019."

Other statistics released Thursday showed declines in the annual rate of inflation in Spain and Belgium. But the inflation rate picked up in Germany, to 1.5% in June from 1.4% in May.

Despite their optimism, neither eurozone businesses nor consumers expected a significant pickup in the pace of price rises over the coming year, according to the commission's survey.

THE WALL STREET JOURNAL

Editorial : Central Banks and the New Abnormal

This week's gyrations in currency and bond markets are best understood as the triumph of fear over experience. It's as if markets think central banks are really in danger of returning to more normal policies.

The euro jumped 1.4% against the dollar Tuesday after European Central Bank President Mario Draghi said "all the signs now point to a strengthening and broadening recovery in the euro area." Never mind that it came in the context of a speech in which Mr. Draghi argued that the ECB should continue doing more of the relatively easy monetary policy he says is working. Markets

interpreted the comment as a sign that the ECB may soon start dialing back on its negative interest rate and €60 billion-a-month (\$68.16 billion) bond purchases, or quantitative easing (QE).

Bank of England chief Mark Carney set off a similar jump in the pound on Wednesday when he suggested Britain's central bank might at some point sort of think about almost raising interest rates—if the bank no longer feels it needs to make trade-offs between economic growth and its inflation target. To be exact, what he said was: "Some removal of monetary stimulus is likely to become necessary if the trade-off facing [policy makers] continues to

lessen and the policy decision accordingly becomes more conventional." Got it?

You can't fault investors for intensive tea-leaf reading of otherwise anodyne comments like these. Given the size of the bond portfolios central bankers have amassed since the crisis, investors are understandably curious about any clues to what central banks will do next.

As a result, markets are overlooking how little central bankers are actually saying. Mr. Draghi's subordinates took to the media Wednesday to point out he hadn't meant monetary normalization

would come immediately. But what if he had? Even in that case, "normal" would be a very gradual reduction in a quantitative-easing bond portfolio that didn't exist before March 2015.

And the negative interest rate that was once considered a crisis measure but has hung on for three years? A return to zero, let alone the ECB's pre-2008 rates of between 1% and 3%, remains years off. The same is true in Britain. If the BOE ever does move from its current benchmark rate of 0.25% back to the 3% to 6% range before the panic, it will take years.

The U.S. Federal Reserve, which now is leading the way on unwinding

crisis policies, is doing so very slowly despite eight years of economic growth. If the Fed does make it to 2% by the end of next year from 1% to 1.25% today, the fed-funds rate would still be well below its level during the late 1990s boom or its pre-2008 maximum.

There's nothing tight about any of this. Markets have simply forgotten what normal monetary policy looks

**THE WALL
STREET
JOURNAL**
Thomas

Germany Criticizes Trump, Erdogan Ahead of G-20 Meeting

Anton Troianovski
and Andrea

BERLIN—A major meeting of world leaders in Germany next week emerged as a flashpoint of tension between allies on Thursday as Chancellor Angela Merkel sought to block the Turkish president from giving a speech in Germany and European leaders ratcheted up their criticism of President Donald Trump.

In the space of a few hours Thursday, Ms. Merkel and her government delivered broadsides against both Turkish President Recep Tayyip Erdogan, who had wanted to give a speech on the sidelines of the Group of 20 summit in Hamburg next week, and against Mr. Trump's positions on climate and trade policy.

Speaking to the Bundestag, the lower house of parliament, Ms. Merkel criticized the U.S. for abandoning the Paris climate accord and warned of difficult talks.

"We want to and must master this existential challenge, and we cannot and will not wait until every last person in the world has been successfully convinced of the scientific findings about climate change," Ms. Merkel said. "Those

like. This poses a dilemma for central bankers, as Mr. Draghi noted when he warned that, as the economy improves, policies that today offer the right level of stimulus might become too accommodative. It's hard for central bankers to adjust when any move to make policy slightly less easy is interpreted as a move to make it much tighter.

who believe they can solve the problems of this world with isolationism and protectionism are making a huge error."

Mr. Erdogan and Mr. Trump will join Ms. Merkel and other leaders of 20 large economies at the two-day annual summit that starts on July 7. While much of the anticipation in the U.S. has focused on Mr. Trump's likely first meeting with Russian President Vladimir Putin, European leaders hope to use the summit to present Mr. Trump with a united front backing the Paris climate accord and opposing new trade barriers.

"The G-20 summit takes place in especially challenging conditions this year," Ms. Merkel said. "The world is in turbulence. It has become less united."

Ms. Merkel is not only girding for tough talks with Mr. Trump, but also preparing for potentially violent protests. Mr. Erdogan, in particular, is a divisive figure in Germany's large Turkish diaspora.

Ms. Merkel's foreign minister, Sigmar Gabriel, said Thursday that the Turkish president had notified Germany of plans to deliver a speech to supporters on the sidelines of the summit. Such an

Then again, central bankers have themselves to blame. As policy becomes further divorced from definable metrics such as inflation—which already suggests a need for tightening in Britain and the eurozone—central bankers struggle to explain whether and when they might adjust policy.

Markets have learned that central banks can be bullied into keeping

appearance, Mr. Gabriel warned, was "not possible" and risked inciting conflict in Germany's large community of people of Turkish descent.

Ms. Merkel backed Mr. Gabriel's position, her spokesman said.

"The Turkish people who live in Germany are part of our society," Mr. Gabriel said Thursday while on a visit to Russia. "We do not want these people stirred up through conflicts in their home country."

Relations between Germany and Turkey, a fellow North Atlantic Treaty Organization ally, have deteriorated rapidly since last summer's aborted coup in Turkey.

Tensions escalated this year after Turkey detained a prominent German-Turkish journalist, Turkish officials were barred from holding political rallies in Germany, Berlin granted asylum to Turkish military officers wanted in connection with the failed coup, and Turkey barred German lawmakers from visiting German troops stationed in Turkey.

In Berlin, eight other European leaders joined Ms. Merkel on Thursday at her Chancellery office to prepare a united front for the Hamburg summit. They echoed her

the punch bowl on the table a little longer, as with the taper tantrum that delayed the Fed's slow withdrawal of QE by a few months in 2013. As this week has shown, the result could be a bumpy exit from crisis-era policies that central bankers increasingly recognize are no longer suitable.

defense of free trade and the importance of fighting climate change.

The leaders' comments after the meeting showed that the summit is shaping up as a clash between proponents of a liberal world order, embodied by host Ms. Merkel and recently elected French President Emmanuel Macron on the one hand, and advocates of the antiestablishment nationalism that Mr. Trump, Mr. Putin and Mr. Erdogan have come to represent in Europe.

"I believe Europe is currently the only place that defends the vision of fair free trade and multilateralism against protectionism and, of course, against all dumping practices and the breach of international rules," Mr. Macron said.

Without referring to the U.S. directly, Mr. Macron said he hoped some countries would "come to their senses again" on climate change. Mr. Trump caused consternation in Europe when he said earlier this month the U.S. would withdraw from the Paris agreement to curb global warming.

**The
Washington
Post**

Kirchner

Angela Merkel predicts showdown with U.S. over climate at G-20

By Isaac Stanley-
Becker and
Stephanie

BERLIN — In forceful remarks before Germany's Parliament on Thursday, Chancellor Angela Merkel vowed to defend the international climate agreement spurned by the Trump administration, anticipating a difficult meeting of the leaders of the world's major economies next week in Hamburg.

Despite the withdrawal of the United States, the world's second-largest polluter, the European Union remains committed to the Paris climate accord, Merkel said. But she was blunt about the obstacles posed by the American retreat from the deal, which was signed by 195 nations in an attempt to forge global

consensus around limiting greenhouse gases.

"Since the U.S. announced that it would exit the Paris agreement, we cannot expect any easy talks in Hamburg," Merkel said, referring to the Group of 20 summit scheduled for July 7 and 8. "The dissent is obvious, and it would be dishonest to cover it up."

Without naming him, Merkel appeared to lament President Trump's uncertainty about human-induced climate change, saying, "We can't, and we won't, wait until the last person on Earth is convinced of the scientific evidence for climate change."

She said talks in Hamburg must "serve the substance and aims of the Paris accord" and insisted that

she would not countenance calls to revise the agreement. She deemed the pact "irreversible."

Her pledge echoed a rare joint statement from Germany, France and Italy rebuking Trump's call to revise the agreement, which he said would have paralyzed American businesses and prevented the United States "from conducting its own domestic affairs."

[Inside Trump's climate decision: After fiery debate, he 'stayed where he's always been']

A chasm separates Merkel and Trump — and not just on climate — as they head into the conference in the northern German port city of Hamburg. The German leader has said she also intends to make free trade and the shared burdens of

managing the global refugee crisis focal points of the discussions. These principles stand in uneasy relationship with the "America first" doctrine that guides Trump's foreign policy.

One of her goals, Merkel said, will be "to send a clear signal for free markets and against isolationism," adding, "Whoever believes that the world's problems can be solved by isolationism and protectionism is making an enormous error."

Merkel, who heads Europe's most powerful economy, was preparing for the annual summit by hosting European heads of state in Berlin. In her speech Thursday morning, she reviewed the results of the European Council meeting last week in Brussels, where leaders began

the protracted process of cutting Britain loose from the E.U.

But she looked past that undertaking to affirm the strength of the European bloc — the longevity of which has been tested over the past year — and other multilateral institutions. The long-serving German chancellor was adamant that the business of strengthening the continent would not be bogged down by negotiations over the terms of the British exit.

Especially important, she said, were avenues opened up by Franco-German cooperation, including new ideas to stabilize the euro zone. Merkel has said she is receptive to some of the ideas offered by French

President Emmanuel Macron, such as installing a single finance minister and common budget for the euro zone.

Elmar Brok, a member of the European Parliament and a close ally of Merkel's, said working with France is critical to each of her European objectives — from changes to the economic union to greater cooperation in security and defense.

[NATO allies boost defense spending in the wake of Trump criticism]

Trump's election and the decision of British voters to leave the E.U. were repudiations of Merkel's vision of a

liberal, integrated West. But they may end up giving new impetus to her longer-term European aims, Brok said.

"She has a great chance right now," said Brok, a member of the European Parliament's Committee on Foreign Affairs and its former chairman. "There is a new European consciousness that we have to be stronger."

At the same time, these efforts must be coupled with a sustained commitment to a close partnership with the United States, said Jürgen Hardt, foreign policy spokesman for Merkel's ruling coalition in Parliament.

Hardt said Merkel's speech was not a rejection of Trump's government but a rebuttal of his idea that the American people are best served by an inward-looking policy.

"It's not a fight against the U.S. but a fight for common values," he said, noting that Germany still depends on the United States to buy its exports and defend it militarily. "We want a trustful partner in the U.S. on security but also on trade and economic issues — to the benefit of U.S. citizens and European citizens."

The New York Times

Niki Kitsantonis

ATHENS — The peak tourist season is beginning in Athens, but visitors to the ancient city on Thursday were confronted with a monument to modern-day Greece: the mountains of garbage festering on the streets of the capital, where a strike by state sanitation workers over job security entered its 13th day amid an oppressive heat wave.

This is not the first time that Greeks have been forced to circumnavigate piles of trash on sidewalks because of a protracted strike. But the unseasonably high temperatures, which topped 100 degrees Fahrenheit on Thursday and are expected to climb higher over the weekend, have created an exceptionally stifling and fragrant atmosphere for Athenians and for tourists.

"It's an absolute nightmare, like we don't have enough problems," said Maria Saranti, 62, a retired teacher,

as she gingerly added a bag of garbage at the foot of a pile in Pangrati, a neighborhood near central Athens. "God knows what's under all that, mice, snakes, it doesn't bear thinking of," she added.

Union leaders agreed on Thursday to end the strike, but it is expected to take at least three days to clear the decaying, reeking piles that have been left behind. For two weeks, striking workers blocked the entrances to garbage truck depots and landfills in Athens and around the country, and thousands of tons of refuse piled up around trash bins, rotting in the scorching heat.

The actions peaked on Thursday morning, when union leaders led a march of striking workers to Parliament, condemning cuts imposed on Greece by its international creditors and demanding permanent jobs for thousands of workers on short-term contracts that have expired.

Before the announcement that the strike was over, the head of the garbage collectors' union Poe-Ota, Nikos Trakas, said workers had already achieved a victory because "the people are on our side."

Not all Athenians agreed. "It's outrageous how they think they can hold us hostage like this," said Andreas Markatos, 21, an economics student. "It's the government's fault too — they should have solved this problem years ago — but the unionists make me sick," he said.

"They'll have to clean it all up in a few days either way," he added.

The strike prompted warnings about the threat to Greeks, both physical and financial. The country's health watchdog warned about a public health risk posed by tons of garbage rotting in the sun, and the tourism minister, Elena Kountoura, had warned of "ugly consequences" if

the situation was not resolved quickly.

Tourism is one of the few dynamic sectors in the Greek economy, which has contracted by a fifth since the country signed its first international bailout in 2010.

Even though the strike is over, there may be further headaches for the government before the problem is solved.

Last month, a top Greek court ruled against government plans to extend short-term contracts for state sanitation workers. And the country's international creditors, who have overseen drastic cuts to state spending over the last seven years, are unlikely to accept the new hirings without demanding cuts in other sectors. That could prompt a fresh round of protests, and more upheaval.

THE WALL STREET JOURNAL

Blank : Trump's Opportunity to Arm Ukraine

Stephen Blank

President Trump's trip to Poland next week is an exceptional opportunity to reassert U.S. leadership and American greatness. In Warsaw Mr. Trump can reaffirm the U.S. commitment to European security by giving Ukraine the weapons it urgently needs to defend itself against Russia's continuing aggression.

Russia's violations of the 2015 Minsk II accords grow daily in both number and intensity. Moscow has reconstituted four armies on Ukraine's borders, rebuilt the Black Sea Fleet, created a powerful antiaccess and area-denial bubble in the Black Sea, militarized Ukrainian energy installations there,

and prepared the logistical infrastructure for a major war with Ukraine, including potential amphibious operations in the South. It is building nuclear bunkers in Feodosiia and Sevastopol. The Russian military clearly regards large-scale, protracted conventional war, backed by mounting nuclear threats, to be a real possibility.

Vladimir Putin believes that he is already at war with the West, even if shots are not yet being fired. How else to explain repeated overflights of Europe, close encounters with U.S. and other NATO naval and air forces, election subversion in France, Germany and Holland, massive information-war campaigns throughout Europe that coincide with continued hacking against America's political system?

Though Mr. Putin occasionally praises Mr. Trump, his actions demonstrate that he is contemptuous of the American president—and of U.S. resolve.

The Obama administration's strategic dereliction compounded the Russia problem. Mr. Trump's trip will be closely watched as a sign of his willingness to advance U.S. and European security. Giving Ukraine weapons that can meet Russia's threats—counterbattery radars, armored vehicles, antitank weapons, secure communications gear, reconnaissance drones, antilanding weapons like shallow water mines, and training and intelligence support—can help deter Russian aggression while solidifying American leadership of NATO.

Arming Ukraine would keep faith with American policies dating back to President Harry Truman to support free peoples against aggression. It would enhance U.S. leadership and resolve. Moreover, it would communicate those attributes globally and create, as Ronald Reagan's policies did, a real basis for future dialogue with a Russia deprived of the means of aggression. A public show of helping Ukraine would also turn down the heat domestically. Mr. Trump's persistent critics would be forced to credit him with resisting Russia in support of American interests.

Arming Ukraine and shoring up NATO can't be the end of it. Congress must expand and extend sanctions while passing legislation to counter Russian information

warfare. Perhaps the most direct way to impose costs on Russia is to increase American energy exports to Europe.

Mr. Putin won't like any of it. His goal all along has been to sow chaos in the West and diminish

THE WALL STREET JOURNAL

This week's global virus outbreak that grounded airplanes in Ukraine, slowed FedEx courier deliveries in Europe and disrupted Maersk container ships around the world was devised simply to damage businesses, not earn profits for the hackers behind it, security experts now believe.

The latest attack was similar, yet more sophisticated than last month's WannaCry virus, which also appeared as though designed to extort money, security experts said.

The likelihood that a damaging attack on the Ukrainian computer system was disguised as ransomware is a disturbing revelation for the world's corporate executives whose companies are at risk of being collateral damage from such targeted attacks.

The software was coded to look like a variant of a known form of ransomware—malicious software called Petya that makes files unreadable until the victim makes a \$300 payment. But that appears to have been a ruse: The virus's underlying software was different from Petya and made it technically impossible for files to be recovered, even by the attackers, researchers say.

"The attackers have no actual means of decrypting the files," said Juan Andrés Guerrero-Saade, a security researcher with antivirus vendor Kaspersky Lab ZAO. "It's masquerading as a ransomware."

The disguise slowed down the international response to the outbreak by leading cyber-responders down investigative

NATO's influence on his doorstep. Paradoxically, he is forcing Mr. Trump to play a bigger role in Eastern Europe than the U.S. president wants to. If Mr. Putin moans about it, Mr. Trump should deliver a strong, simple message: You brought this upon yourself.

dead-ends, said Lesley Carhart, a computer-security researcher who studied the latest attack.

The Petya clone attack began Tuesday after hackers broke into the servers belonging to Intellect Servis, a little-known Ukrainian company that makes the country's most popular tax software, security researchers say. The hackers then modified the M.E. Docs software to include the malicious virus, which rapidly spread to other corporate networks when companies installed a software update.

Intellect Servis, said there was no evidence supporting the idea that its clients downloaded a corrupted update of its accounting program. Still, the company said it was cooperating with police and IT experts to determine how the virus spread.

The virus employed remarkably effective password-stealing software along with attack code, allegedly stolen from the National Security Agency, to worm through corporate networks. The alleged NSA code "may have been used to compromise a few systems," but the password-stealing tools led to the bulk of the computer infections, said Charles Carmakal, a vice president at FireEye Inc.

An NSA spokeswoman didn't respond to an email seeking comment.

M.E. Docs is the most popular software used to electronically file tax forms with the Ukrainian government, and it is widely used by international companies doing business in Ukraine, said Hennadiy Voytsitskyi, a partner with the law firm Baker & McKenzie LLP.

While in Warsaw, Mr. Trump will have a rare opportunity to do the right thing and demonstrate American greatness in action. For our freedom and for Europe's, he should not miss that opportunity.

After an M.E. Docs software update, a computer at Baker McKenzie's Kiev office was seized with the ransomware Tuesday, demanding the \$300 payment in the digital currency bitcoin, Mr. Voytsitskyi said. But the law firm didn't pay, he said. The infected computer was isolated from the rest of the company and the virus didn't spread, he said.

Other companies weren't so lucky. The world's largest containership operator, A.P. Moeller-Maersk A/S, was forced to shut down ports in the U.S., Europe and India after experiencing widespread computer outages at its APM Terminals unit. Delivery giant FedEx Corp. said a courier division in Europe was crippled by the virus. Other victims included French construction giant Saint Gobain and in the U.S., pharmaceutical giant Merck & Co. and law firm DLA Piper.

Kaspersky, the Russian antivirus company, said that half of the companies targeted by the infection were industrial companies in industries such as oil and gas, transportation and electricity production.

Within some of these companies, the virus spread like wildfire.

On Tuesday, the fake ransomware infected 5,000 computers within a matter of minutes at a large U.S. manufacturing company, said David Kennedy, chief executive at security consultancy TrustedSec LLC. When the company, which Mr. Kennedy declined to identify, contacted TrustedSec for help on Tuesday, investigators initially believed the company had been hit by ransomware spread via email.

Mr. Blank is a senior fellow at the American Foreign Policy Council.

By the next day, they concluded that M.E. Docs was the source of the attack, he said.

"When this company called, their entire infrastructure was shut down. Gone," Mr. Kennedy said. Two days later the company was "at about 50% capacity," he said.

Companies were already on edge after the WannaCry attack, which began on May 12 and ultimately infected more than 200,000 computers around the world by exploiting a bug in the Microsoft Windows operating system. Security researchers have linked that attack to North Korea.

Mr. Kennedy believes the newest attack, with its sophistication, subterfuge, and its targeting of Ukrainian systems, shows "signs of nation-state hands in it."

The attack has netted its authors just under four bitcoins in ransom payments to date, or roughly \$10,000. Security experts say this is a small amount for such a technically advanced attack.

The lawyer, Mr. Voytsitskyi, said he continues to feel the effects of the outbreak even though his firm evaded a massive disruption. Because some financial systems in Ukraine remained offline Thursday, he was unable to pay for his lunch because the restaurant's credit-card machine remained offline. "It's not just a nuisance," he said. "It's more than that."

The Washington Post

Ukraine's ransomware attack was a ruse to hide culprit's identity, researchers say

The cyber attack that crippled computer systems in Ukraine and other countries this week employed a ruse — the appearance of being ransomware — that seems designed to deflect attention from the attacker's true identity, security researchers said.

And many companies initially fell for it.

The first reports out of cybersecurity firms on Monday, when news of the attack hit, was that a new variant of WannaCry, a virus that encrypted data and demanded a ransom to restore it, was on the loose.

In fact, a number of researchers said this week, the malware — which researchers are calling NotPetya — does not encrypt data, but wipes its victims' computers. If

the data is not backed up, it's lost, they said.

"It definitely wasn't ransomware and wasn't financially motivated," said Jake Williams, founder of Rendition Infosec, a cybersecurity firm, which has analyzed the virus. "The goal was to cause disruption in computer networks."

Moreover, the email address to make a payment to retrieve data is no longer accessible, said Matt Suiche, a hacker and founder of Comae Technologies, a cybersecurity firm.

He said in a blog post this week that the ransomware feint was probably a way to make people think "some mysterious hacker group" was

behind the attack rather than a nation state.

"The fact of pretending to be a ransomware while being in fact a nation-state attack ... is in our opinion a very subtle way for the attacker to control the narrative of the attack," Suiche said.

Security researchers cautioned that it is too early to know for sure who is behind it. But some say that the targeting and distribution method of the malware point to Russia.

More than half the victimized computers were in Ukraine, including banks, energy firms and an airport.

Russia, which has annexed Crimea and has backed separatists in eastern Ukraine, has carried out an aggressive campaign of cyberattacks and harassment there.

In December, Russian government hackers disrupted the power grid in

Kiev. A year earlier, they knocked out power in western Ukraine.

In this case, to get into victims' computers, attackers infected a financial software program in Ukraine, called MEDoc, that delivers software updates to businesses through the Internet.

That's called a "watering hole" attack, which targets users who navigate to the site for updates or to browse. It is also a tactic that Russian government hackers have used in the past to compromise industrial control system networks, Williams noted.

MEDoc is one of only two software options Ukrainian businesses have to pay their taxes, noted Lesley Carhart, an information security expert.

"This was a clever choice" for several reasons, she noted in a blog post, including that the "distribution base" within the country was

"extremely comprehensive" as many companies used the software.

NotPetya did not spread across the open Internet, she said in an email. "Its tactic was to compromise a few computers inside a network" once the hacker got in, say, by delivering the malware through MEDoc. Then it could rapidly spread to other computers in the same network using a variety of other methods.

"While most 'patient zero' computers were in Ukraine ... the corporate networks those computers [connect to] could potentially span the globe, and infection could also spread to any customers, partners, or vendors with whom they had unrestricted network connections and shared accounts," she said.

Checkpoint newsletter

Military, defense and security at home and abroad.

That might explain how U.S. pharmaceutical giant Merck, the Danish shipping firm Maersk and the Russian oil company Rosneft became infected.

The Rosneft infection might be an unintended consequence — collateral damage, Williams said.

Valentyn Petrov, head of the information security service at Ukraine's National Security and Defense Council, said that the attack's timing, on the eve of Ukraine's Constitution Day, indicated this was a political attack.

"We are in an interesting test phase in which Russia is using modern cyberweapons," Petrov said, "and everyone is interested to see how it is working — and how threats can be countered."

David Filipov in Moscow contributed to this report.

INTERNATIONAL

THE WALL STREET JOURNAL

After Defeating ISIS Together, Iraqi Kurds Seek Divorce From Baghdad

Yaroslav Trofimov

The one thing that isn't in doubt in Iraqi Kurdistan's planned independence referendum is the result. It's virtually certain that an overwhelming majority will back the creation of the world's newest country.

The real question is what practical steps toward the breakup of Iraq will be taken, and how soon after the vote, which is scheduled for Sept. 25.

Will Kurdistan's bickering politicians finally put their differences aside? And will they, Iraq's federal authorities, and the region's meddling neighbors be able to prevent events spinning out of control in the referendum's inevitably contentious aftermath?

None of these neighbors—Iran, Syria and Turkey—want the Kurdish independence to succeed in Iraq, lest it inspires restless Kurdish minorities within their own borders. And, while some officials in President Donald Trump's administration privately cheer the Kurdish independence cause, maintaining the unity of Iraq remains the official policy of the U.S. and its Western allies.

The country's Western partners are concerned that the referendum—even if it doesn't lead to

independence anytime soon—will change the political climate in the rest of the country. With Iraq's federal elections looming next year, that could bring to power radical Shiite forces hostile to the more inclusive approach of Iraqi Prime Minister Haider al-Abadi.

It all adds up to a greater risk to regional stability just as Islamic State is finally being defeated in Iraq and Syria.

"We think the referendum is a bad idea, and the timing is a bad idea, first of all because the Kurds are not prepared for this," said a senior U.S. official. "If the Kurds go ahead with the referendum this year, it will strengthen the more polarizing and more sectarian figures [in Baghdad], and disadvantage those who are more moderate and who would reach across sectarian lines and form alliances."

Kurdistan officials retort that now is precisely the right time to tackle the historic Kurdish desire to form a separate nation, after Mr. Abadi's government and the Kurdish leadership established close cooperation fighting side-by-side to oust Islamic State from Mosul. Kurdistan plans detailed negotiations with Baghdad on how and when to implement the breakup, the officials said.

"To answer the question of why now: We can achieve through this

positive relationship a mutual understanding because, after Abadi, who knows who will be responsible in Baghdad? We want to avoid future confrontation and future bloodshed by ending this unhealthy interdependence in relations with Baghdad," said Hemin Hawrami, senior assistant to Kurdistan President Masoud Barzani, who called the referendum, and head of political affairs at the Kurdistan presidency.

"The referendum is for independence, but it doesn't mean that on the 26th of September we are going to declare independence. It is the start of a long process," Mr. Hawrami added.

While Iraq's federal government views the vote as illegal because no legislation to conduct it exists, Baghdad is unlikely to do anything to oppose it. "Most Iraqis in federal areas right now are not supportive of the referendum, but to be frank they are not in a position to spend too much time worrying about it because there are so many other problems in the country," said Sajad Jiyad, managing director of the Al Bayan Center, a Baghdad think-tank.

Kurdish-populated areas of northern Iraq have enjoyed broad self-rule since 1991, an arrangement expanded and enshrined in the 2005 Iraqi constitution. Kurdistan, a region

roughly the size of Ireland that is home to some 5.2 million people, already has its own security forces and immigration controls. Federal troops and police aren't allowed on its soil without special permission.

Complicating any move toward a breakup with Iraq is the issue of disputed territories—areas outside the recognized boundaries of the Kurdistan Regional Government, such as the city of Kirkuk and nearby oil fields, that are controlled by Kurdish forces and contain large Kurdish populations.

Kurdish Peshmerga troops took over many of these areas over the last three years, in the course of the war against Islamic State. Baghdad seeks to regain control of these contested territories and has condemned Kurdish plans to hold the referendum there, let alone to permanently annex them.

"If the referendum is held and a breakup is achieved, it will create more conflicts over issues such as disputed territories," warned Ammar Tuma, head of the Shiite Fadhlila bloc in the Iraqi parliament. "There will be no benefit for the Kurds, and no benefit for the Iraqis."

The only other recent example of a non-Arab area seceding from an Arab-majority country to form a separate nation isn't all that encouraging. South Sudan became independent following a referendum

in 2011 and two years later descended into a civil war that has displaced millions.

Iraqi Kurds had their own civil war in the 1990s. The Kurdistan region remains divided between western areas controlled by the Kurdistan Democratic Party of Mr. Barzani and eastern areas under the sway of the rival Patriotic Union of Kurdistan.

The self-ruled region's institutions have been paralyzed by a political crisis that erupted in 2015, after Mr. Barzani's mandate expired. Kurdistan's parliament, which had planned a session to elect a successor, has been unable to meet for nearly two years because KDP forces prevent the entry of its speaker to the region's capital. Kurdistan's presidential and parliamentary elections are slated

for November, just weeks after the planned referendum.

Mr. Barzani has called the long-promised independence vote just as protests against the political deadlock and corruption spread throughout Kurdistan. By doing so, he deftly exploited the Kurdish nationalist sentiment to stave off domestic unrest, at least for now.

"The feeling of distrust was reaching a peak, and people were feeling that the Kurdish leadership was no longer entitled to lead the Kurdish national cause," said Maria Fantappie, a Kurdish-affairs specialist at the International Crisis Group. "But now the national feeling is prevailing, so far. The Kurdistan leaders have played this trick well."

THE WALL STREET JOURNAL

Ghassan Adnan in Baghdad, Ben Kesling in Paris and Dion Nissenbaum in Washington

Islamic State Is Near Defeat in Iraq, Prime Minister Says (UNE)

BAGHDAD—Iraqi and U.S. officials said Islamic State is on the cusp of defeat in Mosul and close to being driven out of Iraq, after the country's military seized a mosque in the city where the extremist group's leader first proclaimed a caliphate.

"We are seeing the end of the fake Daesh state," Iraqi Prime Minister Haider al-Abadi said on Twitter, using another name for Islamic State. "The liberation of Mosul proves that. We will not relent," he added.

Thursday's recapture of the ruined Nouri mosque came a week after Islamic State blew it up as Iraqi forces closed in, reducing to rubble the 12th-century building and its 150-foot minaret. The mosque gained notoriety when Islamic State leader Abu Bakr al-Baghdadi spoke there three years ago and declared himself the head of a caliphate, or religious empire.

Col. Ryan Dillon, the Baghdad-based spokesman for the U.S.-led coalition battling Islamic State in Iraq and Syria, said that Iraqi forces on Thursday cut a wedge in the middle of the area held by Islamic State, seizing the Nouri mosque and cornering the few hundred remaining fighters in half of Mosul's Old City on one side, and an area around a hospital that has been a stronghold for the group on the other side.

Col. Dillon predicted that the fighting would be over in a matter of days and that it would then take time to fully clear the areas the Islamic State holdouts.

"What comes next, where to defeat ISIS, is a decision that will be made in Iraq," he said.

Military officials have warned of tough fighting ahead. In recent days, Iraqi troops have faced counterattacks in the city, with Islamic State penetrating defensive lines and staging deadly attacks even in Iraqi-controlled areas. The warren of narrow streets in the Old City, where Islamic State fighters are holed up, has slowed the offensive.

But the progress in beating back Islamic State has been steady, both in Mosul and in the campaign to retake Raqqa, the group's de facto capital. Col. Dillon said the persistent military pressure in the two countries means Islamic State leadership has no effective capital left.

"There is no hub anymore," he said.

Islamic State leaders have abandoned fighters on the battlefield, morale is plummeting and inexperienced fighters are making rookie mistakes, he added.

"ISIS cannot stop the progress that Iraqis and Syrians have mounted in the last two years," he said. "They are on the run, and we will not allow them to regroup and catch their breath."

Even after Mosul is retaken, Islamic State won't be defeated in Iraq. The group remains in control of a number of other smaller Iraqi towns and a significant swath of territory in Syria, including eastern Deir Ezzour province and Raqqa. And while it has lost much of the territory it captured over the past few years, it has proven it is still capable of mounting deadly terrorist attacks in the West as well as in the heavily fortified Iraqi capital of Baghdad, where bombers get through daily.

To the northwest of Mosul lies militant-held Tal Afar, likely the next military objective for the Iraqi military. However the battle for that town near the Syrian border is already fraught before it has even begun, with Iran-backed Shiite militias insisting they lead the fight and the U.S. saying it won't work with those militias.

If the Shiite militias do take the lead, it will likely inflame sectarian tensions with Sunnis across the country.

The town of Hawija, south of Mosul, has also long been a Sunni extremist stronghold and poses a constant threat to the neighboring city of Kirkuk. In October, militants from Hawija launched a complex attack on downtown Kirkuk that took days to quell and left dozens dead.

When Islamic State is defeated, the Iraqi government will face enormous challenges in resettling hundreds of thousands of people displaced from Mosul and reconstructing the enormous ruin of three years of war.

The government must also take steps to ameliorate the strife that has only deepened between the country's three main groups—Shiite Arabs, Sunni Arabs and Kurds.

The government's goal in rebuilding Mosul and restoring its pre-Islamic State population of about 1.5 million is seen as critical to its effort to reunite the country. Islamic State launched a drive in 2014 that ended up with the militants in control of about one-third of Iraq, and with Mosul their de facto capital in the country.

Since the start of Iraq's Mosul campaign in October, more than 875,00 residents have fled the city, according to the United Nations High Commissioner for Refugees. Some return only to retrieve bodies from homes collapsed in the fighting. Those who remained line up for hours for clean water from tanker trucks.

Mosul policeman Azad Thiyab Jasim said recently that he has little hope that the city will remain peaceful after Islamic State is driven out.

He said the criminal justice system makes it far too easy for suspected sympathizers or even fighters to go free. That means vigilantism rules on the streets, which can feed a cycle of revenge.

"Killing members of Daesh is much better than detaining them," he said.

The New York Times

WASHINGTON — The Islamic State has carried out nearly 1,500 attacks in 16 cities across Iraq and Syria after they were declared freed from the militants' control in recent months, providing new evidence that the group is reverting to its insurgent roots and foreshadowing long-term security threats.

The information was compiled by the Combating Terrorism Center at West Point in a study made public

ISIS Reverts to Insurgent Roots to Pose Long-Term Threat, Study Says

Eric Schmitt

on Thursday that warns that any military gains will fall short without increased efforts to restore the security, governance and economies in territory once held by the Islamic State.

"Pushing the Islamic State out as the formal governing party in a territory is not a sufficient development when it comes to ending the group's ability to enact violence against individuals in Iraq and Syria," the 20-page report said.

American diplomatic and military leaders say an even greater challenge than ousting the Islamic State, or ISIS, from its self-declared religious state, or caliphate, in eastern Syria and northern and western Iraq may well be the daunting political and economic reconstruction in the years ahead.

Counterterrorism specialists said the new study illuminates a trend that has been emerging for several months, as American-backed ground forces in Iraq and Syria have

steadily rolled back territorial gains the Islamic State achieved in 2014 and used as the basis for its global appeal to Muslims to come join the caliphate. Now, its strongholds of Mosul, Iraq, and Raqqa, Syria, its self-declared capital, are besieged, and senior leaders have fled as opposing forces close in.

"ISIS has anticipated the loss of its government for over a year," said William McCants, a senior fellow at the Brookings Institution and the author of "The ISIS Apocalypse: The

History, Strategy and Doomsday Vision of the Islamic State." "They are prepared to wage a war from the shadows to reclaim it."

The report's authors, Daniel Milton and Muhammad al-Ubaydi, say their findings aim to draw a more accurate picture of the military challenges in Iraq and Syria, especially in maintaining security in cities large and small that have been reclaimed from the Islamic State.

"Despite all of these positive connotations, the liberation of cities in Iraq and Syria has proved to be much more of a mixed bag for those living in the aftermath," the report said. "Part of this is the challenge of governing post-liberation areas where city infrastructure has been destroyed and where security threats still remain."

The report cites the example of Falluja, which was freed by Iraqi forces in June 2016.

Many months later, news media reports suggest that residents still face an array of challenges, such as destroyed buildings, live Islamic State munitions buried in the rubble and the continuing threat of Islamic State attacks, the report said.

In March 2017, the mayor of Falluja was still living in Erbil, a city in Iraqi Kurdistan in northern Iraq, and traveling to Falluja only on certain days for work.

The report draws on Islamic State claims that it carried out 1,468 attacks in 16 cities — 11 in Iraq and five in Syria — from the time insurgents were driven out of those cities until April.

In some cases, violence dropped off sharply once the militants were routed, with the Islamic State either unwilling or uninterested in carrying out harassing attacks ranging from small-arms ambushes to suicide attacks. But in other cities, the threat of violence remains pervasive.

The eastern part of Mosul, in northern Iraq, has had the highest number of attacks per month, 130, since Iraqi forces drove out Islamic State fighters. Baiji, Iraq, has the second-highest number of monthly attacks, at 21.

Islamic State fighters have employed a variety of tactics against cities they once controlled.

Attacks that occur from a distance, employing weapons such as rockets and sniper rifles, were used in 56

percent of all strikes, while suicide bombings were used in only about 5 percent of operations, the report found.

In the western Iraqi city of Ramadi, the Islamic State used a large number of improvised explosives, particularly those called "sticky" bombs because assailants usually attached them to a car or truck using adhesive.

Suicide operations, while less common over all, have been used consistently to terrorize cities after they were freed from Islamic State control.

But the relative difficulty of preparing and carrying out such attacks, including finding makeshift armor and retrofitting vehicles with it and building bombs, still makes them a selective weapon of choice.

"More complex suicide bombings, particular those involving vehicles, cannot be assembled on the spot," the report concluded.

Insurgent activity in cities after the Islamic State's defeats varies in the two countries (more in Iraq than in Syria), with researchers suggesting a correlation between proximity of the liberated city to the front lines.

For instance, Ramadi is 32 miles closer to Islamic State territory than Falluja. Falluja's average number of monthly attacks is just over one, while Ramadi's is nearly 11, the report found.

Researchers also found that the Islamic State maintained the resources and expertise to carry out strikes against areas in which it was defeated, but seemed focused on avoiding operations that would exhaust its strengths in those areas, and on its ability to fight there in the future.

Enduring security, however, has not guaranteed political reconciliation. "Even in locations where the Islamic State is driven out and relative peace is restored, difficult political challenges remain," the report said.

In March in Manbij, Syria, the report noted, United States forces intentionally drove through the streets of the city to prevent fighting between the two American allies — the Turkish Army and the Arab and Kurdish fighters that made up the so-called Syrian Democratic Forces.



Iraqi forces recapture historic Mosul mosque, now little more than rubble

BAGHDAD — Iraq's prime minister on Thursday declared the end of the Islamic State's grip on Iraqi territory as government forces recaptured the site of a historic mosque in Mosul that had once been the symbolic center of the group's self-declared caliphate.

Counterterrorism troops retook the area of the Great Mosque of al-Nuri and advanced through the remaining contested streets of Mosul, Iraq's military said in a statement. The mosque itself was reduced to little more than rubble by the militants last week, but Prime Minister Haider al-Abadi said retaking it signaled the demise of the group's "state" in Iraq.

The 12th-century mosque, famed for its leaning minaret, holds huge significance for the Islamic State as the place where, in July 2014, the organization's leader, Abu Bakr al-Baghdadi, made his only known public appearance, calling on Muslims around the world to obey him as leader of the group's newly created caliphate. Just weeks before, the militants had scored a

stunning victory over Iraq's armed forces in Mosul.

The militants had captured the city within days. Iraq's battle to retake it has stretched on for nearly nine grueling months, and the military and the city's civilians have suffered heavy casualties.

[ISIS blows up historic mosque in Mosul, Iraqi military says]

Once home to more than 2 million people, the city was by far the largest the militants ever controlled. Now, only about half a square mile of winding narrow streets in the ancient Old City has yet to be recaptured.

Iraqi commanders say they are facing stiff resistance as they fight house to house with militants who now have no way of escape.

"We will keep following Daesh until we kill and capture the last member," Abadi said in the statement, using the Arabic acronym for the Islamic State.

But even as the battle of Mosul nears an end, the group is far from being eradicated. The Islamic

State's black flag still flies over the towns of Tal Afar to the west, and Hawijah to the south. The militants also control stretches of the border with Syria, where U.S.-backed forces are battling to oust the fighters from Raqqa, their main stronghold there.

Mosul has witnessed two major counterattacks in recent weeks, assisted by sleeper cells in areas supposedly long cleared of the militants, an indication of the remaining challenges.

Hundreds of thousands of people remain displaced, with the International Rescue Committee warning that "many difficult months lie ahead" for those who were forced to flee or lived under the Islamic State's rule.

"Even once all territory has been cleared of ISIS fighters and unexploded mines, ISIS will continue to terrorize lives of people across Iraq," said Wendy Taeuber, the group's Iraq country director. "The horrors ISIS inflicted on the residents of Mosul left huge wounds, not only in the social fabric of the city but also in the minds of people."

What's most important from where the world meets Washington

After a dawn assault, Iraq's counterterrorism troops moved past the mosque but have not entered the remains of the building yet because it may be rigged with explosives, said Lt. Gen. Abdul Ghani al-Asadi, head of the force.

Asadi said he expected the battle to be over within a week. Counterterrorism forces were about to launch an offensive to retake the Nuri mosque a week ago when it was destroyed. The Iraqi military released video footage that it said showed the moment that the militants detonated explosive charges in the building and its minaret — nicknamed the hadba, or hunchback, for its distinctive tilt.

The Islamic State-affiliated news channel Amaq maintained that a coalition airstrike was responsible for the destruction of the mosque. Experts say that footage released by the Iraqi military appears to show a blast emanating from the building rather than an airstrike from above.

Editorial : A Syrian activist was a State Department ally. Now the U.S. won't grant him asylum.

RADWAN

ZIADEH

embodies the hopes that Syrians had when they first rose up against the regime of Bashar al-Assad. He is a secular liberal activist who not only dreams of a Syrian democracy, but also for years did his best to promote one through organizations he founded. A fixture on Washington's foreign policy circuit, Mr. Ziadeh was a go-to ally for the Obama administration's State Department when it sought to create an alternative to the Assad regime. He responded by organizing a series of conferences in Turkey that produced a 238-page "Syria Transition Roadmap."

Now, inexplicably, Mr. Ziadeh is being threatened with deportation from the United States, where he has lived for the past decade and where his three children were born. In response to his request for

asylum, the Arlington office of U.S. Citizenship and Immigration Services found this month that he is, in fact, a refugee deserving protection. Yet it issued a preliminary notice of intent to deny him asylum on grounds that he had "provided material support" to "an undesignated terrorist organization" — namely, members of the same U.S.-backed rebel groups that attended those conferences.

The blinkered judgment is a gross violation of common sense and an embarrassment to the federal government bureaucracy. It ought to be reversed before it has a more damaging impact on the faltering U.S. effort to find a formula for peace in Syria.

The facts are undisputed. Two of the conferences Mr. Ziadeh organized in 2012 and 2013 in Istanbul were for a "security working group" contributing to the overall transition plan. The

attendees were nominated by Salim Idriss, the U.S.-backed head of a Syrian opposition coalition. Their expenses for attending the conference were covered by Mr. Ziadeh's organization with funding from an institute affiliated with the Canadian government. The whole point, according to former U.S. ambassador Frederic Hof, who worked on planning for Syria, was "to support a democratic and peaceful political transition."

The Asylum Office nevertheless found that Mr. Ziadeh "engaged in terrorist activity" because some of those who attended the meetings were members of the Free Syrian Army and Syrian Muslim Brotherhood, which, it noted, "used weapons with the intent to endanger the safety of Syrian government officials." The fact that the United States itself provided some of the FSA's weapons and fully supported its attempt to "endanger" the Assad

regime somehow failed to impress the Asylum Office. In effect, Mr. Ziadeh is being accused of terrorism because he acted at U.S. urging (and with Canadian funding) to bring together U.S.-backed Syrian leaders.

More than the personal safety of one dedicated Arab freedom fighter is at stake. By appearing to repudiate and persecute Mr. Ziadeh, the U.S. government sends a message to Syria's remaining anti-Assad forces that even Washington's closest allies are subject to betrayal. The contrast between Vladimir Putin's unwavering defense of the blood-soaked Assad clique and the pending refusal of the United States to grant Mr. Ziadeh safe harbor is stark — and sickening.



There's No Space for Qatar to Save Face

Hassan Hassan

Last week, Saudi Arabia and its allies outlined their list of demands that Qatar would need to fulfill in order to end the worst crisis in the Gulf Cooperation Council (GCC) since its establishment in 1981. The 13 demands, confirmed by multiple Gulf media outlets and by foreign ministry officials from the United Arab Emirates and Qatar, are too sweeping for Qatar to accept without a 180-degree change in its foreign policy.

Nor is the anti-Qatar quartet — namely Saudi Arabia, the UAE, Bahrain, and Egypt — necessarily expecting a quick compromise that resolves the crisis. Rather, they appear to be digging in for an extended conflict with their Gulf neighbor. Their demands included requirements that Doha pay compensation to them for any losses incurred due to Qatari foreign policy and to completely shut down Al Jazeera — extreme steps that suggest the four countries are not interested in negotiation at this point.

Even if the five countries reach a settlement, the wounds caused during the row are too deep to heal in the coming years. Asked whether this meant the end of the GCC, a senior Gulf official replied: "Yes. Unless Qatar complies with the demands 100 percent."

The roots of the quarrel can be traced to the 1995 coup in Doha, which saw the rise of Sheikh Hamad bin Khalifa Al Thani. Sheikh Hamad ousted his father, whom he regarded as a puppet to the Saudis, and pursued an independent policy that broke away from his country's larger neighbor, as Qatar began to use its abundance of gas to modernize the country and expand its influence regionally and internationally. Saudi Arabia unsuccessfully backed a comeback attempt by the ousted emir the following year, and the relationship went downhill from there.

From a Qatari perspective, Doha seeks to retain an independent policy that does not necessarily impinge on the interests of its neighbors but is also not linked at the hip with the GCC. Qatar also says its threshold for what it considers extremism differs from those of Riyadh and Abu Dhabi, most notably with regards to groups such as the Muslim Brotherhood and the Syrian organization Ahrar al-Sham. Saudi Arabia and the UAE counter that Qatar has deliberately supported individuals, groups, and media outlets that directly threaten the security and stability of their societies. They cite Oman as a counterexample of a GCC country with an independent policy, which includes close ties with Iran, but one that does not threaten their stability. To them, the issue relates to Qatar's destabilizing approach in a volatile region.

The Egypt factor

The current crisis intensified with the Arab uprisings in 2011, when Doha invested in Islamists and political activists across the region, and was triggered by events in the summer of 2013. Just three days after Sheikh Hamad abdicated on June 25 that year, protests erupted in Egypt calling for the ouster of Mohamed Morsi, the Qatar-supported and Muslim Brotherhood-aligned president. Morsi was replaced by Field Marshal Abdel Fattah al-Sisi, a close ally of the UAE and Saudi Arabia who emerged as a military dictator hostile to the Qataris. However, tensions with Qatar were largely contained due to the perception at the time that the new Qatari emir, Sheikh Tamim bin Hamad Al Thani — then just 33 years old — was "inward-looking," a friend of the Saudi royal court, and would pursue a conciliatory approach with his neighbors.

Pressure mounted on the new emir to reverse Qatari foreign policies. In March 2014, Saudi Arabia, the UAE, and Bahrain announced the withdrawal of their ambassadors, in a rare public move designed to put pressure on Doha.

The move was a sign that the tension between the two sides had reached a boiling point.

The move was a sign that the tension between the two sides had reached a boiling point.

In an exclusive article published after the envoys' withdrawal, Foreign Policy was first to report on the content of the agreement signed in Riyadh in 2014 to defuse the conflict. The terms involved demanding that Qatar rein in hostile media outlets "inside and outside Doha"; expel Muslim Brotherhood members, particularly those from Gulf countries; stop naturalizing Gulf activists; and halt any support to groups such as the Muslim Brotherhood and Yemen's Houthis. Doha denied funding the Houthis, and sources close to the government in Doha say Qatar never admitted to doing the things its Gulf neighbors accused it of — but agreed to take steps to reassure them and bring an end to the conflict.

The list published on Thursday echoed the 2014 demands, with new additions. The new list, unlike the old one, includes the shutdown of Al Jazeera — not just affiliated media outlets that specifically targeted the Gulf states. The demands also specified six other media outlets — some of which are linked to the Egyptian Muslim Brotherhood, like Mekameleen TV — that must be shuttered.

Impossible demands

The quartet's demands also include the need for Qatar to significantly scale down its relationship with Iran. Saudi Arabia and its allies are calling on Doha to downgrade its diplomatic representation in Tehran,

expel members of Iran's Islamic Revolutionary Guard Corps (IRGC), and sever any military and intelligence cooperation. Instead, the Qatari-Iranian relationship must be limited to commercial ties that are also compliant with international and Gulf sanctions imposed on Iran. The two countries share an enormous natural gas field, discovered in the 1970s.

Qatar is also required to halt military cooperation with Turkey — including the establishment of a Turkish military base on Qatari soil. Two days after the Saudi camp announced the blockade against Qatar, the Turkish parliament approved the deployment of 5,000 troops to Qatar. Despite reassurance from Turkey that the move was discussed prior to the crisis, Riyadh and Abu Dhabi saw the move as a challenge to the quartet's position. A Gulf official told FP that he expects the Turkish involvement will further increase friction between Ankara and Riyadh.

The list also stipulates that Doha must relinquish any relationship with extremist groups, specifically the Muslim Brotherhood, the Islamic State, al Qaeda, Hayat Tahrir al-Sham (formerly the Nusra Front, al Qaeda's Syria franchise), and Hezbollah. Qatar must also designate these

groups as terrorist organizations, per existing and future lists issued by the four countries.

The demands placed in front of Qatar don't end there. The document also requires that Doha pay compensation for any financial losses incurred as a result of Qatari policy in recent years and hand over databases of oppositionists previously supported by the country. Updates about progress must be conducted on a monthly basis during the first year, every three months the second year, and annually for 10 years. Finally, Qatar must accept the demands within 10 days; otherwise, the demands are considered null.

A GCC shakedown

Acceptance of the demands would undo two decades' worth of Qatari efforts to create soft power in the region. Doha is also under pressure domestically to demonstrate strength, which Sheikh Tamim did on the same day of the blockade by publicly meeting with prominent Islamic cleric Youssef al-Qaradawi — a particular jab at both Egypt, from which Qaradawi hails, and the UAE.

Qatar's capitulation would mean a full dilution of its regional standing, as well as humiliation at home —

and both Saudi Arabia and the UAE know it. According to conversations with both Saudi and Emirati officials, as well as others close to the decision-making, the two countries believe the rift is beyond repair at this point. This is also reflected in the unprecedented verbal attacks against the Qatari royal family by media outlets close to Riyadh and Abu Dhabi — something that would not have happened if they expected a settlement to the crisis based on negotiation and pressure.

The latest measures came amid the backdrop of simmering frustration that goes back years, not sudden or knee-jerk measures. When asked why this conflict had been transformed into a crisis now, a senior Gulf official said there was no particular trigger — if anything, he said, the move had been delayed by the belief that the Barack Obama administration would have opposed an escalation against Qatar and that it was inappropriate to make such a move before Donald Trump's U.S.-Islamic summit in Riyadh.

The situation is poised to get worse before it gets better — if it ever does. Qatar is unlikely to capitulate, its detractors are unwilling to compromise, and the divergence between the two camps is hard to bridge. Officials in Saudi Arabia and the UAE see no urgency in bringing

Qatar back into the club. From their perspective, Qatar cannot change without serious consequences and sustained pressure against it. The maximalist position taken by the Saudi camp has left no passage for Qatar to seek a face-saving settlement.

Because of this, a break-up between Qatar and the GCC remains a real possibility. Both Saudi Arabia and the UAE believe that they could do without Qatar. For them, the GCC has been divided over the past decade: Saudi Arabia, the UAE, and Bahrain are largely in sync; Oman and Kuwait are mostly neutral; and Qatar is an outlier. Doha has worked against them more than it worked against Iran since 2011.

Escalation against Qatar is unlikely to be militarized, not least because of the American base in the emirate. The next escalation point could involve the suspension of Qatar from the GCC. Despite pressure from the United States, the four countries seem adamant to send a message that they are serious about a radical behavioral change in Qatar — whatever it takes.

THE WALL STREET JOURNAL

NATO Announces Deployment of More Troops to Afghanistan

Julian E. Barnes

BRUSSELS—The North Atlantic Treaty Organization announced Thursday it would send additional forces to Afghanistan, as the visiting U.S. defense secretary discussed broad outlines of Washington's approach to curb the rising tide of violence in the Central Asian nation.

NATO Secretary-General Jens Stoltenberg said the alliance would focus its strategy on providing more training support to Afghanistan's special operation forces and its air force.

Without providing specific numbers NATO said it would increase the number of special operation forces trainers in Afghanistan, focusing the alliance mission in the country on strengthening Kabul's commando forces. Acting Afghanistan defense minister Tariq Shah said his country intends to double the size of its special operation forces.

Mr. Stoltenberg said the alliance's military authorities have requested a few thousand more troops. Mr. Stoltenberg said allies would increase its presence, although he put no definite numbers on the allied contributions.

U.S. Defense Secretary Jim Mattis said that allies have filled about 70% of the existing requirements for forces, and he was confident that more forces would be forthcoming. Mr. Stoltenberg refused to put a timetable on the 16-year-long Afghanistan war.

"I don't put timelines on war, it is that simple, war is a fundamentally unpredictable phenomenon. Every effort to create a pat answer to that is probably going to fail," Mr. Mattis said. "You can't say I got tired of it so I am going to come home and wonder why you get hit again."

While he offered few clues about his new strategy or what force levels he would recommend for Afghanistan, Mr. Mattis did say that the U.S. likely reduced its presence too quickly in recent years.

"Looking back, it is pretty much a consensus we might have pulled our troops out too rapidly," Mr. Mattis said.

Mr. Stoltenberg said ending the combat mission in 2014 was the right move, and said the current mission—training and advising the Afghan forces—wouldn't change.

"If any thing we should have done it before, gone from a combat mission

to a train, advise mission," Mr. Stoltenberg said. "What we are aiming at now is not to go back to a combat mission."

The number of additional troops so far committed by NATO members is well below what officials said is likely to be requested by Washington. The U.S.-led international military coalition is seeking to bolster the government of President Ashraf Ghani against an array of insurgencies led by the Taliban and the local affiliate of Islamic State.

European officials had expected the Trump administration to decide on a new U.S. strategy in Afghanistan before NATO defense ministers convened in Brussels on Thursday. But the White House has yet to announce its plans, though it has given the Pentagon unilateral authority to send thousands of additional troops to Afghanistan at its discretion.

There are about 6,600 NATO and allied troops and fewer than 9,000 U.S. troops currently in Afghanistan. After President Barack Obama approved a military surge in Afghanistan in 2009, when the government's military campaign against the Taliban appeared in danger of failing, the number of U.S.

troops in the country reached some 100,000.

After the NATO meeting, Gen. Bahrani praised the allied commitment and said with the help of international forces "the enemy in Afghanistan will fail."

Mr. Mattis didn't make a specific troop request to the allies. But Mr. Stoltenberg said the discussions Thursday were meant to allow allies to discuss how to strengthen the mission in Afghanistan, "so we can break the stalemate and make advances on the battlefield which will then lay groundwork for political solution."

As part of the new strategy, U.S. officials are planning to reduce the number of U.S. personnel training Afghan government troops and expand the number of counterterrorism forces working with the Afghan military.

NATO is also planning to reduce its training to Afghan police forces and focus instead on advising the Afghan air force and special operation troops.

President Donald Trump has said he wants the alliance to do more to fight terrorism, and NATO has started various counterterrorism

initiatives. But U.S. officials have told NATO allies that one way to address Mr. Trump's request is step up their contributions to the war in Afghanistan.

U.K. Defense Minister Michael Fallon announced Thursday that

Britain would send just under 100 troops to Afghanistan, a deployment he characterized as part of the fight against terrorism.

"Transnational terror groups that operate in Afghanistan are a threat to us in Western Europe and are a

threat to the continued existence of the Afghan state," Mr. Fallon said. "We have every, every intent to constrain these groups and continuing to support Afghan forces."

Mr. Fallon said NATO troops would train the Afghans and instruct them on counterterrorism operations.

THE WALL STREET JOURNAL

Eli Stokols

WASHINGTON—President Donald Trump will meet with Russian President Vladimir Putin at next week's G-20 summit, senior administration officials confirmed Thursday.

Mr. Trump also plans to meet with a number of NATO allies and is set to hold one-on-one discussions with German Chancellor Angela Merkel, British Prime Minister Theresa May, Chinese President Xi Jinping, Japanese Prime Minister Shinzo Abe and Mexican President Enrique Peña-Nieto among others, according to national security adviser H.R. McMaster.

During a White House briefing Thursday

White House Says President Trump to Meet With Vladimir Putin at G-20 Summit

previewing the trip, Mr. McMaster and National Economic Council Director Gary Cohn didn't say whether the president plans to raise the subject of Russia's interference in last year's U.S. election when he meets with Mr. Putin next week during the G-20 conference in Hamburg, Germany.

"There's no specific agenda," Mr. McMaster said. "It's really going to be whatever the president wants to talk about."

Asked if the conversations will be formal bilateral talks or more impromptu pull-asides, Messrs. McMaster and Cohn said the meetings will be somewhere in between.

"These are not long meetings," Mr. Cohn said. "They're bilateral pull-asides during the G-20."

Mr. McMaster also sought to play down tension between the administration and the chancellor of Germany, a pillar of the NATO alliance.

"The relationship with Germany is as strong as ever," said Mr. McMaster, who asserted that the two countries agree on "95%" of issues.

Of all the G-20 leaders, Ms. Merkel has criticized Mr. Trump the most pointedly of late, largely over his decision earlier this month to pull the U.S. out of the 195-nation Paris climate accord.

In a speech earlier Thursday to German parliament, Ms. Merkel said she was "more determined than ever" to fight to preserve the 2015 agreement and criticized policies of "protectionism" and "isolationism" without naming Mr. Trump.

"Our differences with the U.S. are clear," Ms. Merkel said. "I would be dishonest if we painted over them."

The president, Mr. Cohn said, "looks forward to discussing his decision to leave the Paris agreement" and plans to "make clear he is open to re-engaging" in negotiating a new climate pact or re-entering the Paris treaty "if it makes sense for the American people."



Pentagon: Russia Very Much a Threat to the United States

Ruby Mellen

A Pentagon report released Wednesday warns of a rising military threat from Russia and says the Kremlin believes the United States is seeking regime change, an assertion that could color the already fraught relationship between the two powers.

The Defense Intelligence Agency's 116-page report, "Russia Military Power: Building a Military to Support Great Power Aspirations," sketches a picture of a Russia that sees itself in opposition to the United States and with a leadership that harbors a strong desire to make the country again the prominent power it was during the Cold War era.

"The Kremlin is convinced the United States is laying the groundwork for regime change in Russia," the report says. Moscow started worrying about Washington's hand in regime change during the so-called Color Revolutions in Eastern Europe in the early 2000s. Russia also sees the United States as responsible for the Arab Spring revolutions of 2010 and 2011, and the ousting of former Ukrainian President Viktor Yanukovich in 2014.

The report comes at a time when the U.S. government is torn on how to handle the rising threat from Russia. While President Donald Trump has sung the praises of Russian President Vladimir Putin, and while he is reportedly preparing concessions to make to Moscow before his first meeting with Putin, Congress has chosen a different and much tougher tack. The Senate recently passed legislation that would slap new sanctions on the Kremlin and make it harder for the White House to roll back sanctions on its own.

The intelligence community, judging by the report, sees less optimism for improved relations. "Moscow worries that U.S. attempts to dictate a set of acceptable international norms threatens the foundations of Kremlin power by giving license for foreign meddling in Russia's internal affairs," the report says.

The idea that Russia anticipates the United States will attempt to topple the Kremlin's leadership tinges diplomatic relations between the two countries with suspicion.

Russia has long been wary of U.S. involvement in regime change. Putin ran for president in 2012 in part because he was unhappy that then-

President Dmitry Medvedev teamed up with the United States to effect regime change in Libya. Putin also blamed then-Secretary of State Hillary Clinton for instigating widespread protests in late 2011.

Similarly, Russia has alleged that the United States orchestrated the protests in Kiev in late 2013 that ultimately ousted the pro-Kremlin Yanukovich, who allegedly asked Russia to intervene in Crimea.

The Defense Intelligence Agency also notes a staggering increase in Russian defense spending that has reached a "post-Soviet record."

Though the 2016 defense budget was set to decline, a late bump brought the total amount to \$61 billion, according to the report. That's more than double the annual defense budget of \$27 billion for 2006, though still just one-tenth of U.S. defense spending.

It remains unclear whether House Republican leadership will endorse the Senate-backed sanctions amendment, and the White House has already attempted to water it down. Plenty of European governments have reacted furiously to the Senate move, which would unilaterally broaden economic sanctions on Moscow and could

affect European companies doing business with Russia.

Despite the White House's strange affinity for Moscow, U.S. government institutions continue to take Russia seriously, belatedly giving credence to former presidential candidate Mitt Romney's much-maligned claim that Russia is America's main geopolitical threat.

Speaking to the Senate Intelligence Committee on Wednesday, Nicholas Burns, a former U.S. ambassador to NATO and a former State Department official in the George W. Bush administration, said the Obama and Trump administrations failed to appropriately respond to Russia's meddling in the U.S. presidential election.

"President Trump has taken no action whatsoever, and that's irresponsible," Burns said. He added that President Barack Obama should have retaliated more "vigorously."

"Russia is our most dangerous adversary in the world today," Burns said.



Spies Fear Trump's First Meeting With Putin

Kimberly Dozier

Moscow believes its leader, ex-spy master Vladimir Putin, can extract major concessions from President Donald Trump when the two meet for the first time next week, European officials tell The Daily Beast.

The officials say their intelligence indicates Putin thinks he can outmaneuver Trump at the G-20 summit, playing on promises of cooperation on areas like counterterrorism to win concessions like a reduction in the raft of sanctions against Russia.

"When you meet Russia, don't give anything away for free," one Western official warned, echoing the fears of many European diplomats ahead of next week's Trump-Putin meeting on the fringes of the G-20 in Germany.

Their misgivings highlight concern that Trump's inexperience and Putin's ability to flatter will slowly degrade the U.S. alliance with Europe over time, and boost Moscow back to near-superpower status while extracting no changes to its aggressive, expansionist behavior.

Trump's administration has been dogged by investigations into Moscow's calculated campaign to influence the 2016 presidential elections in Trump's favor. Before he became president, Trump fawned over the "real leader" in the Kremlin who he hoped would become his "best friend," and he couldn't quite make up his mind whether he had ever met Putin.

In the White House, Trump has been reluctant to publicly blame Russia for the election hacking, while showing no such reticence in publicly rebuking NATO allies for not investing enough in their own defense.

"If Russia hacked, if Russia did anything having to do with our election, I want to know about it," he told NBC on May 11, despite his own Director of National Intelligence Dan Coats telling lawmakers on the same day that "only Russia's senior-most officials could have authorized the 2016 U.S. election-focused data thefts and disclosures, based on the scope and sensitivity of the targets."

That's partly why some European officials remain wary of any rapprochement between Trump and Putin, despite pledges by Pentagon chief Jim Mattis this week to increase resources to protect NATO members—and despite the Trump State Department re-upping

sanctions against Moscow over its annexation of Crimea and continued military interference in Ukraine.

"There's definitely some anxiety overseas. They are worried about a deal that may be struck in the meeting on the fly," said Brookings Institution's Thomas Wright of his conversations with European officials. "Putin is very good at these first meetings. He has an agenda and knows how to maneuver people. If Trump isn't prepared, the longer he stays in the room, the more dangerous it is."

Putin infamously charmed previous Presidents George W. Bush and Barack Obama, who responded with moves to increase cooperation, only to be disappointed by Russia's invasion of Georgia under Bush, and Crimea and Ukraine in the Obama years.

National Security Adviser Lt. Gen. H.R. McMaster told reporters Thursday that no agenda had been set for the meeting, but he indicated that Trump would be carrying both carrot and stick.

"Our relationship with Russia is not different from that with any other country in terms of us communicating to them really what our concerns are, where we see problems with the relationship but also opportunities," McMaster said in answer to a question from The Daily Beast.

Get The Beast In Your Inbox!

Daily Digest

Start and finish your day with the top stories from The Daily Beast.

Cheat Sheet

A speedy, smart summary of all the news you need to know (and nothing you don't).

Thank You!

You are now subscribed to the Daily Digest and Cheat Sheet. We will not share your email with anyone for any reason.

McMaster said Trump had already ordered his staff to find ways "to confront Russia's destabilizing behavior" and deter it, whether it's cyberthreats or "political subversion" here or in Europe.

"Nobody wants a major power war, right?" he asked rhetorically.

Mattis spoke far more bluntly in Europe Wednesday, slamming Putin's military adventurism at the cost of his people's prosperity.

"Russia must know both what we stand for and equally, what we will

not tolerate," he said in remarks to European military officials in Germany. "Their leader making mischief beyond Russian borders will not restore their fortunes or rekindle their hope."

Those stern messages from McMaster and Mattis are the ones European officials hope Trump will take into the meeting with Putin.

"I hear a consistent message from many levels they want to have a cooperative relationship with Russia, and work collectively on shared national security interests, but Russia has to earn that relationship by putting its money where its mouth is," the a Western official told The Daily Beast.

The foreign officials spoke on condition of anonymity to discuss the intelligence and the discussions ahead of Trump's international trip. The Russian embassy in Washington declined requests for comment.

The Western official said a warming of U.S.-Russian relations wouldn't be a bad thing, because so many key international issues rely on the two major powers talking.

"We need that relationship to work," the official said. "It's crucial to what we are trying to achieve in North Korea, Iran, and Syria," the official added, namely pressuring North Korean dictator Kim Jong Un to ditch nuclear weapons, pressuring Iran to stay nuclear weapons-free and convincing Syrian dictator Bashar al-Assad to step down.

Yet the Trump White House has sent mixed signals, exploring the unilateral reduction of sanctions on Russia earlier this year. A senior administration official said the National Security Council was simply asking the State Department if the sanctions against Russia were hurting U.S. businesses more than they were hurting Moscow, but the State Department officials who'd crafted the original sanctions were skeptical.

The Guardian reported Thursday that Trump had asked White House officials to draw up a list of diplomatic sweeteners he could offer Putin at the meeting, but a senior administration official insisted no such request was made. The official insisted on anonymity as a condition of denying the allegations.

But Trump has remained diffident in his public comments about Moscow, even after administration officials concluded Russia was likely aware in May that Syrian regime forces were about to fire sarin-laden bombs

on civilians in May, because Russian military advisers were stationed at the base that launched the attack.

To understand Putin, Trump need look no further than an unclassified Defense Intelligence Agency report released this week, that says Moscow sees the U.S. as one of its fiercest enemies.

"The Kremlin is convinced the United States is laying the groundwork for regime change in Russia," the report said, adding that Moscow blames American meddling for a laundry list of woes including the Arab Spring and the overthrow of pro-Putin leaders in Ukraine, as well as the revolutions in Georgia, Ukraine, and Kyrgyzstan.

"He should be ready for Russian expectations that it is a global power [that] deserves to be treated like an equal in spite of flagrantly violating international norms," said Mara Karlin, a former senior defense official under the Obama and Bush administrations who now teaches at Johns Hopkins-SAIS.

"He should be ready for complaints about the European Reassurance Initiative [money to European bolster security], missile defense in Europe, and the U.S. military's increased focus on European security more broadly," she said in an email, harkening back to previous negotiations with Russian officials.

The Trump administration just stepped up its commitment to the European Reassurance Initiative to \$4.8 billion next year, though it was started by the Obama administration to bolster the defense of NATO allies after Russia's military action in Crimea and Ukraine. It includes keeping American troops stationed in countries along Russia's border, a sore subject for Putin.

"Both are masters in the dark arts of deception, misdirection, and nationalist symbolism," said former Obama defense official Derek Chollet of the two leaders. "The obvious card Putin plays is to offer something on ISIS and Syria. But what does he demand in return? Lifting sanctions? Pulling troops out of the Baltics? And does Trump take the bait?" he asked in an email to The Daily Beast.

And will Trump shame Putin publicly over U.S. election interference, as he just shamed tiny Gulf ally Qatar over alleged terrorist funding, Chollet asked. "Or does he agree with Putin that it is a hoax?"

U.S. announces sanctions on Chinese bank, arms-sales package for Taiwan

<https://www.facebook.com/greg.jaffe.5>

The Trump administration on Thursday announced new sanctions on a Chinese bank accused of laundering money for North Korean companies and approved a \$1.4 billion arms sales package for Taiwan, a pair of measures that is certain to ruffle feathers in Beijing.

Officials said the actions were unrelated and emphasized that the administration was not targeting China. But the moves are likely to raise concerns among Chinese leaders who had sought to get off to a good start with President Trump.

Trump has shown signs of losing patience with China after personally lobbying President Xi Jinping to put more pressure on North Korea to halt its nuclear and ballistic-missile weapons programs. Trump wrote on Twitter last week that China's efforts have "not worked out," a declaration that came after the death of American college student Otto Warmbier a few days after returning to the United States following 17 months of detention in North Korea.

Treasury Secretary Steven Mnuchin said the administration was moving to cut off the Bank of Dandong from U.S. financial markets in an effort to block millions of dollars of transactions that funnel money into North Korea for use in its weapons

programs.

Under the sanctions, U.S. citizens also will be generally prohibited from doing business with Sun Wei and Ri Song Hyok, who are accused of establishing and running front companies on behalf of North Korea, and Dalian Global Unity Shipping Co., which is accused of transporting 700,000 tons of freight annually, including coal and steel products, between China and North Korea.

The administration announced the sanctions just hours before South Korea's new president, Moon Jae-in, arrived at the White House for a two-day summit with Trump. Moon campaigned on a platform of greater engagement with Pyongyang, and he has questioned the need for the U.S.-backed THAAD missile defense system that is being installed on the peninsula, which Beijing and Pyongyang have opposed.

Mnuchin said that the United States is "in no way targeting China with these actions" and that U.S. officials "look forward to continuing to work closely with the government of China to stop the illicit financing in North Korea."

Mnuchin added that this "very significant action" sends the message that the United States will follow the money trail leading to North Korea and continue to crack down on those assisting the country.

"North Korea's provocative, destabilizing and inhumane behavior will not be tolerated," Mnuchin said. "We are committed to targeting North Korea's external enablers and maximizing economic pressure on the regime until it ceases its nuclear and ballistic-missile programs."

China has repeatedly made clear it opposes "unilateral" sanctions in addition to those agreed to by the United Nations Security Council. Only last week, Foreign Ministry spokesman Geng Shuang said his country opposed the "long-arm jurisdiction" of the United States in this matter.

"We have repeatedly stressed this stance in our communication with the United States, and the U.S. side is also clear about it," he said during a regular news conference.

In a separate announcement, administration officials said they had approved an arms package for Taiwan that includes advanced rocket and anti-ship missile systems — another measure China has repeatedly said that it firmly opposes.

The package is slightly larger than one that was put on hold at the end of the Obama administration, the officials said, but includes largely the same weapons capabilities.

The sale is considered relatively modest compared with past arms packages. Still, China views the self-

ruled island as part of the country and is likely to oppose any such arms transfers.

As president-elect, Trump broke with protocol and accepted a congratulatory phone call from Taiwanese President Tsai Ing-wen in December, angering Xi.

Lt. Gen. H.R. McMaster, Trump's national security adviser, said Thursday that China had significant economic leverage over North Korea and suggested that it could put more pressure on Pyongyang.

The Trump administration had long signaled that it wanted to move forward with an arms sale to Taiwan but held off because officials worried the sale would make it harder to secure China's cooperation on North Korea.

"It shows, we believe, our support for Taiwan's ability to maintain a sufficient self-defense policy," State Department spokeswoman Heather Nauert said Thursday of the arms deal. "There's no change, I should point out, to our one-China policy."

Trump is scheduled to meet with China's Xi on the sidelines of an economic summit in Hamburg next week, White House officials said.

Simon Denyer contributed reporting from Beijing.

THE WALL STREET JOURNAL

Trump Administration Approves \$1.42 Billion in Arms Sales to Taiwan

Felicia Schwartz

WASHINGTON—

The Trump administration notified Congress on Thursday that it approved sales of \$1.42 billion in weapons to Taiwan, a move that coincided with China's rejection of a U.S. Senate bill that would allow U.S. Navy vessels to make regular port calls to the island.

The administration's proposed arms transfer would be the first since President Donald Trump took office.

The sales include radar, missiles and torpedoes, and "primarily represent upgrades to existing defense capabilities aimed at converting current legacy systems from analog to digital," a U.S. official said.

The U.S. is legally obliged under congressional action to sell Taiwan defensive weapons and did so as recently as 2015 under the Obama administration. But China, which

claims Taiwan as its territory, is angered whenever such sales are announced.

Officials with the Chinese embassy in Washington didn't immediately respond to a request for comment. There was no immediate response to a request for comment from China's Foreign Ministry, Defense Ministry or its Taiwan Affairs Office.

In a statement, Taiwan's National Defense Ministry said such sales were crucial for maintaining stability in the region.

"Arms sales help strengthen our nation's defense capabilities and preserve peace across the Taiwan Strait," the statement said. "The National Defense Ministry expresses sincere gratitude to the U.S. side for approving the sale."

Earlier this year, Mr. Trump angered Beijing when he suggested he would review the U.S.'s longstanding "One China" policy, under which the U.S.

extends official diplomatic recognition to China but not to Taiwan. Mr. Trump later reaffirmed his administration's commitment to the policy in a phone call with Chinese President Xi Jinping in February.

State Department spokeswoman Heather Nauert said the sales approval announced Thursday doesn't alter U.S. adherence to the One China policy. "There's no change to our longstanding 'One China' policy."

The sales demonstrate the Trump administration's "support for Taiwan's ability to maintain a sufficient self-defense capability," she said.

Congress has 30 days to object to the deal, but eight senators, both Republicans and Democrats, sent a letter to the Trump administration last week urging the swift approval of the sale.

The senators, including Sens. John McCain (R., Ariz.), Marco Rubio (R., Fla.) and Ben Cardin (D., Md.), said the sales are modest in scope but "represent an important marker in maintaining consistent U.S. support for Taiwan," according to a copy of the letter reviewed by The Wall Street Journal.

The announcement of the sale on Thursday follows an earlier decision by the Treasury Department to cut off China's Bank of Dandong from the U.S. financial system in response to accusations that the bank facilitates financing for companies involved in North Korea's weapons program.

Earlier this week, the State Department criticized Beijing in an annual U.S. assessment of human trafficking around the world, downgrading China to the lowest ranking in the report.

Once a Model City, Hong Kong Is in Trouble (UNE)

Keith Bradsher

HONG KONG — When Hong Kong returned to Chinese rule two decades ago, the city was seen as a model of what China might one day become: prosperous, modern, international, with the broad protections of the rule of law.

There was anxiety about how such a place could survive in authoritarian China. But even after Beijing began encroaching on this former British colony's freedoms, its reputation as one of the best-managed cities in Asia endured.

The trains ran on time. Crime and taxes were low. The skyline dazzled with ever taller buildings.

Those are still true. Yet as the 20th anniversary of the handover approaches on Saturday, the perception of Hong Kong as something special — a vibrant crossroads of East and West that China may want to emulate — is fading fast.

Never-ending disputes between the city's Beijing-backed leadership and the pro-democracy opposition have crippled the government's ability to make difficult decisions and complete important construction projects.

Caught between rival modes of rule — Beijing's dictates and the demands of local residents — the authorities have allowed problems to fester, including an affordable-housing crisis, a troubled education system and a delayed high-speed rail line.

Many say the fight over Hong Kong's political future has paralyzed it, and perhaps doomed it to decline. As a result, the city is increasingly held up not as a model of China's future but as a cautionary tale — for Beijing and its allies, of the perils of democracy, and for the opposition, of the perils of authoritarianism.

"More and more, there is a sense of futility," said Anson Chan, the second-highest official in the Hong Kong government in the years before and after the handover to Chinese rule. She blames Beijing's interference for the city's woes. "We have this enormous giant at our doorstep," she said, "and the rest of the world does not seem to question whatever the enormous giant does."

Others spread the blame more broadly. They point to the opposition's reluctance to compromise and policies that weaken political parties, including multi-seat legislative districts that allow radical candidates to win with a minority of votes.

"This kind of a political atmosphere will disrupt many of the initiatives that may come along," said Anna Wu, a member of the territory's executive council, or cabinet.

A high-speed rail station planned for Hong Kong is a half-finished shell — years after every other major city in China has been linked by bullet trains.

Hong Kong ranks only after New York and London as a center of global finance, but it has no world-class museums. After 15 years of delays, construction of a cultural district intended to rival Lincoln Center has started, but funding from the legislature could be disrupted in the coming days.

Widespread complaints about test-obsessed schools leaving students ill equipped to compete against those in mainland China have not led to education reform. Nor has the government found a way to address simmering public anger over skyrocketing rents and housing prices.

Hong Kong was once known for the speed and efficiency with which it built huge planned communities with ample public housing every several years. But it has not managed to do so since Britain returned it to Chinese rule on July 1, 1997.

Hong Kong is still a gem in many ways, a place that is hard not to love, and for its 7.4 million residents, hard to leave.

Narrow ribbons of oceanfront skyscrapers are backed by wooded hillsides protected as country parks. Just 10 minutes uphill from the majestic Victoria Harbor and financial district are breathtaking views of the South China Sea. Steel and concrete fade into sylvan trails that wind past lakes and waterfalls, all of it not too far from the city's cavernous and efficient airport, part of a renowned transport network of subways, buses, trams and ferries.

But the airport was built by the British before they left. So were the institutions that really distinguish the city: the independent courts, the widely respected civil service, the freewheeling press.

Those were preserved under the "one country, two systems," formula that promised Hong Kong a high degree of autonomy when Britain returned it to China. But they have been weakened as the Communist Party increasingly meddles in the city's affairs, intimidating and even abducting people seen as challenging its interests.

The Umbrella Movement demanding free elections that seized control of downtown streets for 11 weeks in late 2014 is just a distant memory. But sullen resentment of mainland China has spread as Hong Kong's democratic evolution has stalled.

This spring, a new chief executive for the territory, Carrie Lam, was selected by a committee of about 1,200 residents — mostly allies of Beijing following its instructions.

Her predecessors tiptoed around tough issues, wary of both offending the Chinese leadership and provoking the public. At the same time, critics say, limited public accountability has allowed incompetence and even graft to spread among officials. The top two government officials from a previous administration have been tried on corruption charges.

Beijing's allies have a majority in the legislature because half the 70 seats are selected by interest groups mostly loyal to the mainland government. But the other half is elected, and lawmakers who favor greater democracy have won a majority of those seats. The result is gridlock.

There has also been a generational shift in the pro-democracy camp. Voters have replaced older, more pragmatic politicians with younger candidates more stridently opposed to the Communist authorities and willing to engage in all-out resistance. Late last year, Beijing intervened to prevent the seating of two pro-independence politicians who had altered their oath of office to protest Chinese rule.

The legislature's rules allow any three members to stall action for months with filibusters. In the last two years, various groups in the pro-democracy camp have repeatedly used that tool as leverage, causing a backlog of legislation that has delayed even projects that are not contentious, like a cleanup plan for the harbor.

Both sides agree that the city will become ungovernable without some kind of political change. But they cannot agree on what to do.

The democrats want a clear road map to universal suffrage — which Beijing promised in 2007 "may be implemented" in 2017 — starting with direct elections for the chief executive. Only when the government is accountable to the public will it have a mandate to tackle the challenges facing the city, they say.

But supporters of Beijing say the problem is too much democracy, not too little.

Shiu Sin-por, the departing head of the local government's agenda-setting Central Policy Unit, said pro-Beijing lawmakers must break with tradition and get tough on filibusters.

He also wants to eliminate civil service protections for many senior officials and put them on renewable, short-term contracts — which would make them more accountable to Beijing.

"You have a lot of deadbeats and layabouts who drag it out until they retire," he said. "Would elections change this? No."

Mr. Shiu, a longtime power broker with close ties to the Beijing government, warned that if Hong Kong remained politically paralyzed, it could slip from the ranks of the world's great cities and end up like Monaco, a tax haven for the wealthy with few industries beyond financial services and retail.

In an interview, Mrs. Lam, who will be sworn in on Saturday, acknowledged "a certain degree of truth" in the argument that the lack of a political overhaul was making it more difficult to address issues like housing, education and infrastructure.

But she added: "If we were to have universal suffrage tomorrow, would all these problems disappear? I don't think so."

In many ways, Hong Kong as a city has fared better than its people. Since the handover, more than one million mainland Chinese have moved here, contributing their energy and talents to the territory's economic development. But the newcomers' success has sometimes come at the expense of those with deeper roots.

Big international companies and banks now aggressively recruit mainland Chinese instead of local residents, who speak Cantonese instead of the Mandarin used on the mainland and who often lack the connections to win deals and thrive there.

The language issue is a challenge for Hong Kong's education system, which tries to teach three of them — English, as well as Mandarin and Cantonese. This produces many graduates with weaker English and Mandarin than those from the mainland's top schools.

But efforts to address the problem get caught in the city's fractious politics, with suspicions that Beijing

wants to undermine local identity or limit the West's influence.

At the same time, the government has resisted proposals to ease the culture of high-pressure testing, a source of much public dissatisfaction. Instead, it tried to introduce "patriotic" material into the curriculum, appeasing Beijing while angering parents and students.

The influx of mainland Chinese has also contributed to a historic run-up in housing prices, making Hong Kong one of the world's most expensive places to live. A single parking space recently sold for \$664,000.

Soaring prices and rents have squeezed middle-class families and younger residents in particular, fueling resentment against the mainland Chinese who have poured money into the market. Government measures to limit speculation have not deterred those investors, many of whom are looking for a safe way to get their money out of the mainland.

The underlying problem is limited supply. Land disputes have nearly halted plans to build big residential areas in the rural sections of northern Hong Kong.

Under a policy dating from the colonial era, families in traditional villages there are awarded long-term grants of land, producing suburban sprawl and making it difficult to put together a large parcel for development. The government could force families to sell but is worried about setting off protests, in part because the leaders of those communities have generally supported Beijing.

Plans to build elsewhere have also stalled. Efforts to rezone the fringes of country parks for apartment buildings have been blocked by environmentalists, while the government has been leery of the cost of controversial proposals by

developers to subsidize land reclamation and build thousands of acres of artificial islands.

"There's land in Hong Kong, but what we lack is developable land," said Anthony Cheung, the transport and housing secretary, noting that everyone wanted more housing but no one wanted it built next door. "We still need to seek local community support."

Gaining such support is difficult, though, given deep distrust of the government. Lawsuits by neighborhoods and environmental groups have delayed a range of infrastructure projects that require much less land than housing developments.

The planned high-speed rail line, for example, is being built underground the entire 16 miles to the border partly because of the political challenge of obtaining land. That has driven up the project's cost many times over. Even the tunneling effort required the removal of a village of scarcely 100 people, though, and democracy activists joined them in protests that slowed the initiative.

The proposed deployment of Chinese immigration officers at the downtown rail station under construction is also contentious. Critics are objecting to an expanded mainland security presence in the heart of the city. They point to several recent cases in which Chinese officers appeared to abduct people — booksellers peddling salacious tales about mainland officials, or a tycoon with rare insight into the finances of the Communist Party elite — and whisk them to the mainland without legal authority.

"It will be used as an excuse to create a serious loophole to allow mainland officers to implement mainland laws in Hong Kong's territory," said Eddie Chu, a pro-democracy member of the legislature.

As the political wrangling in Hong Kong is drawn out, some people are leaving. One popular destination is Taiwan, a flourishing Chinese democracy with more affordable real estate and news outlets that have not been cowed by Beijing, as many of those in Hong Kong have.

Pat Yeung, 43, an entrepreneur, said she moved to Taiwan this summer after a friend emigrated to get her children out of the high-pressure schools, and after she met another couple who relocated in search of cheaper housing.

In Hong Kong, with its relentless business competition and darkening political climate, Ms. Yeung said, "the pressure is too, too much."

Three years ago, Beijing presented Hong Kong with a proposal to allow residents to elect the chief executive, but only from a slate of candidates approved by a nomination committee under its control. The pro-democracy forces rejected the offer, holding out for free elections without such a limit, and Beijing's refusal to budge prompted the Umbrella Movement protests.

It was a pivotal moment for Hong Kong, with all sides letting a chance at compromise slip by and digging in for what has been a prolonged stalemate.

The pro-democracy camp's biggest mistake may have been believing that President Xi Jinping, who at the time had been in office for almost two years, intended to guide China toward a more pluralistic future.

Martin Lee, the founding chairman of the Democratic Party, said that he harbored such hopes because he had met Mr. Xi's father, a senior Communist leader considered more open-minded than most of Mao's generals.

Others noted Mr. Xi's record as a leader in the eastern provinces of Fujian and Zhejiang, where he

adopted a moderate tone while trying to attract Hong Kong investors, said Joseph Cheng, another longtime democracy advocate.

Zhang Dejiang, a member of the powerful Politburo Standing Committee, took the lead on policy toward Hong Kong, and some wondered at the time if his hard-line stance reflected Mr. Xi's views.

But there is little doubt now that Mr. Xi calls the shots. After nearly five years in power, he has proved to be a committed authoritarian who considers political liberalization a threat.

There seems little hope that Beijing will make Hong Kong an offer better than the one it put forward three years ago. Jasper Tsang, the recently retired president of the legislature and a longtime ally of Beijing, said the attitudes of the Chinese leadership toward the city had hardened.

"People are telling me there won't be a second chance," he said.

Last month, Mr. Zhang visited Macau, the former Portuguese colony that is now a Chinese gambling hub, and praised it in terms that suggested he saw it as a model for Hong Kong.

People here were stunned because Macau has a reputation for obsequious obedience to Beijing as well as chronic corruption, organized crime and limited tolerance for labor unions and other independent organizations.

The worry now is that Mr. Xi may share that vision of Hong Kong's future. "If the idea came from him," Mr. Lee said, "we are finished."

THE WALL STREET JOURNAL

Philippines' Combative Duterte Gets Opponent He Didn't Want: Islamic State

Ben Otto

MANILA, Philippines—President Rodrigo Duterte took office pledging to bring peace to Mindanao, the predominantly Muslim island in the southern Philippines where he was raised.

But a year later, his goal of reconciling with the island's many militant and separatist groups is in danger of slipping away. The long, simmering struggle has boiled over, with Mindanao under martial law and the air force bombing a provincial capital, Marawi—invaded

last month by Islamic State-aligned fighters seeking to carve out a caliphate in Southeast Asia.

"I no longer watch TV. I just turn it off. Or I switch channels and watch cartoons," Mr. Duterte said in a speech Tuesday in which the famously fiery president described himself as sad.

After weeks of ground and air assaults, at least 100 fighters remain in the lakeside city, according to the military, which counts more than 400 dead in the battle, mostly militants. They are

holding hostages. The fighters include about 40 foreigners, the military says, half from neighboring Indonesia, the world's largest Muslim-majority nation, and the rest from countries including Malaysia, Saudi Arabia and Yemen.

"It is difficult to fight someone who wishes to die," Mr. Duterte said recently at a military camp in northern Mindanao.

Days later he visited a camp housing some of the more than 400,000 civilians displaced in the region. He was visibly moved as he

stood face-to-face with families from Marawi—a city just 100 miles from Davao, where he served as mayor for more than two decades.

"No one is more frustrated than I am upon knowing [terrorists] are destroying Marawi," he told them. "I have to drive them out, but I am very sorry."

The urban battle and the lack of reconciliation progress threaten to upend Mr. Duterte's law-and-order agenda—symbolized by a war on drugs that has claimed thousands of lives—and stymie his long-held

desire to create a federalist system of government that would grant more autonomy to the regions, enabling areas like Mindanao to solve their own problems.

It also throws into further relief Mr. Duterte's dramatic pivot away from his country's longtime ally and protector, the U.S., and raises questions about the state of counterterrorism ties with the West. In 2015, a year before Mr. Duterte took office, the U.S. wound up a joint task force that for 13 years had aimed to counter Muslim extremists in the Philippines.

The American Embassy in Manila has said the U.S. is providing assistance in the current situation, but declined to provide details. A Philippine military spokesman said the assistance includes technical support and intelligence.

"Marawi is a wake-up call for every nation in the Indo-Asia Pacific," Adm. Harry Harris, commander of the U.S. Pacific Command, said in a speech in Australia Wednesday. He called for closer cooperation among nations in the region—naming the Philippines, Indonesia, Malaysia, Bangladesh, New Zealand and Australia—along with the U.S. to confront the threat.

The fighting doesn't immediately threaten Mr. Duterte's political standing. He remains popular—his March quarterly approval rating down only a few points from the 80s where it stood in December—and no clear opposition figure has emerged to challenge him.

For most Filipinos, Mindanao "is a distinct, troubled region far away from their daily concerns, so even when things go bad there, it is unlikely to change most people's political support," said Malcolm Cook, a senior fellow at the ISEAS-Yusuf Ishak Institute in Singapore.

Still, the 72-year-old president has been seen less than usual since the battle began—his speech Tuesday was his first public appearance in a week—raising persistent questions about his health.

"He is alive and well," presidential spokesman Ernesto Abella told reporters Tuesday. "He is just busy doing what he really needs to do."

Whether Mr. Duterte can stop the conflict from spreading across Mindanao and more widely in Southeast Asia—home to 40% of the world's Muslims—is a growing concern. Last week, Australia announced it would contribute two surveillance aircraft to the effort.

Military and police chiefs from Indonesia and Malaysia joined Philippine counterparts to broker plans for stopping Islamic State from setting up operational bases in the region. The three nations are also coordinating maritime patrols.

The Philippines can turn back Islamic State only if it receives "sustained international and regional support," said Rohan Gunaratna, head of the Singapore-based International Centre for Political Violence and Terrorism Research. An arrangement similar to the defunct U.S. task force "is paramount for the Philippines to fight back."

But last week presidential spokesman Mr. Abella said further U.S. support isn't necessary and that the Philippines and its regional partners would take the lead.

Anti-American rhetoric is a staple of Mr. Duterte, who last year reached out to China, setting aside an international tribunal ruling backing Manila's territorial claims against Beijing in the South China Sea. The U.S. had supported the ruling as a rallying point for small nations contesting Chinese expansion.

The government almost daily announces that militant numbers are

dwindling in Marawi, but authorities fear that the end of the Muslim holy month of Ramadan and Islamic State's retreat in the Middle East could bring foreign reinforcements to Southeast Asia.

The nation of more than 7,000 islands will be hard-pressed to intercept them if they come. The Philippines for decades has failed in its efforts to eradicate the many extremist groups that recruit from poor, marginalized Muslim communities in the jungles of Mindanao. The island was once an important base for Jemaah Islamiyah, an al Qaeda-linked group behind bombings on the Indonesian island of Bali in 2002 that killed 202 people, mostly foreigners.

Mr. Duterte blamed the Marawi conflict on the yearslong buildup of jihadist groups and weapons stockpiling in Mindanao, much of it as the government adopted a conciliatory stance in seeking peace talks with larger, more mainstream rebel groups.

"We took it really for granted," he said.

—Rob Taylor in Brisbane, Australia, contributed to this article.

**The
Washington
Post**

Duterte marks year leading Philippines the same way he began — urging crackdowns at any cost

<https://www.facebook.com/emilyrau hala?fref=ts>

BEIJING — Philippine President Rodrigo Duterte is ending his first year in power the same way he began it — with a call for crackdowns at any cost.

Duterte swept to power on a promise to kill all drug users in the Philippines and eliminate drug use in a matter of months. Then in May, a flare-up of violence involving entrenched Islamist factions in the southern Philippines prompted him to declare martial law on the island of Mindanao.

An estimated 9,000 people have been killed in his first year in office, earning him warnings of an investigation by the International Criminal Court and testing the Philippines' close ties with the United States.

The deaths, rights groups say, occurred in late-night police raids with few witnesses or in shootings

by masked gunmen on motorbikes often targeting people whom police had identified as suspects.

In a statement ahead of the first anniversary Friday of Duterte's presidency, Human Rights Watch called his rule a "human rights calamity."

On Wednesday, as Philippine soldiers fought militants in the besieged southern city of Marawi on Mindanao, Duterte told troops to shoot without fear of consequence. Soldiers should not "hesitate to engage just because there are civilians," he said. "It is the duty of civilians to flee or seek cover."

"We will face charges, sometimes massacre," he said. "You know a bullet hits through and through; one squeeze of the Armalite [rifle], it bursts out about three, four. Keep on pressing it."

Duterte recently made headlines for rallying soldiers by talking about rape. He later claimed it was a joke.

His latest comments were made as Washington and Beijing step into the battle against extremist groups operating in the southern Philippines.

The fighting in Marawi on Duterte's home island of Mindanao has left about 400 dead.

[Duterte plays a winning hand with foreign policy, but will his luck run out?]

Although Duterte vowed early in his term to expel U.S. Special Operations forces from Mindanao, he has yet to do so. The U.S. military reportedly sent a P-3 Orion surveillance aircraft to Marawi at the request of the Philippine military.

Now China is stepping in.

National News Alerts

Major national and political news as it breaks.

On Wednesday, at a ceremony at a former U.S. air base north of Manila,

Beijing presented Duterte's government with 3,000 Chinese-made assault and sniper rifles and about 6 million bullets.

"The donation is not big, but it is big in the sense that it marks a new era of relations between our two militaries, and it comes at the right time," said the Chinese ambassador to the Philippines, Zhao Jianhua. "This is only the beginning," he added.

The rush to fund Duterte's fight in Marawi comes despite widespread international criticism of his government's human rights record, most notably his calls to slaughter drug suspects.

"President Duterte took office promising to protect human rights," said Phelim Kine, deputy Asia director for Human Rights Watch. "But [he] has instead spent his first year in office as a boisterous instigator for an unlawful killing campaign."

**The
New York
Times**

Vatican Sex Abuse Scandal Reveals Blind Spot for Francis (UNE)

Jason Horowitz
and Laurie Goodstein

VATICAN CITY — Pope Francis came to power promising not only to

create a more inclusive church and to clean up an ossified Vatican

bureaucracy, but also to remove the stain of child sex abuse.

A global pedophilia scandal plagued his two immediate predecessors. With Francis's election in 2013, many expected progress. Francis talked about powerful committees to safeguard children, tribunals to try bishops and a "zero tolerance" policy for offending priests.

It hasn't exactly worked out that way.

On Thursday, the Vatican announced that Francis had granted a leave of absence to Cardinal George Pell, now the highest-ranking Roman Catholic prelate to be formally charged with sexual offenses, and one the pope had brought into his inner circle even as a cloud of allegations swirled over the cardinal in Australia.

"We talked about my need to take leave to clear my name," Cardinal Pell, 76, stone-faced in simple black cleric's clothes, said as he sat next to the Vatican's spokesman and reiterated his innocence. "So I'm very grateful to the Holy Father for giving me this leave to return to Australia."

It was unusual and jarring, bad news for a pontificate that has mostly bathed in global adoration and done wonders to improve the public image of the church.

But for all of Francis's good works, good will and popularity, disappointed critics saw Cardinal Pell's removal as only the latest evidence that a pope who has focused the world's attention on issues from climate change to peace on earth has his own blind spot when it comes to sex abuse in his ranks.

"What happened today clearly demonstrates that the revolution of Francis in the church, when it comes to the issue of sex abuse, is in name only, and not in deeds," said Emiliano Fittipaldi, an Italian journalist and the author of "Lust," a book published this year about sex abuse in the Vatican that begins with a chapter about Cardinal Pell.

He said that despite the pope's talk, "the fight against pedophilia is not a priority for Francis."

Some have long questioned why Francis brought Cardinal Pell to Rome in 2014 in the first place, charging that he had offered the prelate an escape hatch just as the Australian Royal Commission examining institutional responses to child sexual

abuse had begun its work in earnest.

At the very least, the choice seemed to demonstrate that the pope's determination to dismantle the power hierarchies of the Roman Curia, which he had hoped Cardinal Pell could help him with, was a greater priority and had led him to overlook warning signs.

Despite serious ideological differences, Francis handpicked the arch-conservative Cardinal Pell to lead his Secretariat for the Economy, bringing him to Rome to use his well regarded financial acumen to clean up the church's muddled finances. Right away, Cardinal Pell acknowledged that "hundreds of millions of euros" had been "tucked away" off the Vatican's books.

Pope Francis then brought Cardinal Pell onto his powerful Council of Cardinals, a nine-person group that wields enormous power in the Curia. The Australian's brashness made him enemies among entrenched Vatican officials who took his calls for financial transparency as a threat to their power.

Even as Cardinal Pell struggled to improve one aspect of the church's image, he came with a separate cloud of scandal. The Australian Royal Commission found more than four thousand people who alleged they had been sexually abused in the church as children.

Cardinal Pell testified that he had made "enormous mistakes" in failing to remove priests accused of abuse when he served as archbishop of Melbourne, and then Sydney.

But if the Pope was displeased with Cardinal Pell, it was not publicly evident.

When allegations that Cardinal Pell had been an abuser himself began leaking into the Australian press, and when he testified for hours to the Royal Commission in February 2016 via video link from a Rome hotel, the cardinal insisted that he had "the full backing of the pope."

Victims rights groups generally see the pontificate of John Paul II as a disaster with respect to sex abuse in the church, as he presided over vast cover-ups and a period of little accountability.

His successor, Pope Benedict, who read many of the ghastly reports during his time as the Vatican's doctrinal watchdog, made key policy changes to protect children and hold

priests accountable for abuse. But he largely left bishops untouched.

Francis initially raised expectations that he would be more serious than his predecessors about rooting out abusers and demanding accountability.

Nine months after he became pope, he created a commission of outside experts to advise the church on how to protect children and prevent abuse.

Skeptics pointed out that the commission was announced in the midst of hearings by a United Nations panel in Geneva that subjected the Vatican to blistering criticism over the handling of sexual abuse cases.

The commission initially included two survivors of sexual abuse who had been openly critical of the church. Since then, one was forced out and the other left, with both saying the Vatican had failed to follow through on its promises.

Pope Francis acted on the commission's proposal to create a tribunal to discipline bishops who covered up abuse — but then dispensed with the tribunal when it hit resistance within the Vatican.

The pope later issued an edict, titled "As a Loving Mother," saying that the Vatican already had all the offices necessary to investigate and discipline negligent bishops, and would do so. But no discipline or sanctions have ever been announced.

"Pope Francis has a lot of explaining to do," said the Rev. James E. Connell, a priest in Milwaukee, a canon lawyer, and a founding member of Catholic Whistleblowers, a group of priests, nuns and others who advocate for victims. "He sets up these things and then kills them and doesn't follow through. And these are all matters of justice."

Father Connell said the group had sent files of documents to Pope Francis and the Vatican on three American bishops the group accused of particularly egregious cover-ups of child abuse, and heard nothing back.

Pope Francis' focus on mercy as a central teaching may also be a blind spot, Father Connell said. "We hear a lot from the pope about mercy, and fine, we hope the Lord is merciful. But at the same time, justice must be rendered," he said.

Marie Collins, one of the two survivors who served on the

commission that Francis created, said in a blog post on Thursday that it was already clear that Cardinal Pell was guilty of the "appalling mishandling" of priests who abused children while he served as a bishop.

She said Cardinal Pell should have stepped down from his Vatican position long ago, even before he faced charges of sexual offenses.

"He should never have been allowed to hide out in the Vatican to avoid having to face those in his home country who needed answers," she wrote, adding that Cardinal Pell's case has shown "how little reliance we can put on assurances from the Catholic Church that bishops and religious superiors will face sanctions if they mishandle abuse cases."

Francis also provoked outrage when he appointed as bishop Juan Barros, an acolyte of Chile's most infamous serial abuser connected to the church — the Rev. Fernando Karadima. Bishop Barros stood by Father Karadima, who was tried and found guilty by the Vatican and was forced to retire.

Then Francis stood firmly by Bishop Barros when priests and parishioners disrupted his installation ceremony and wrote letters pleading with the pope to rescind the appointment. Francis was later caught on videotape in Rome calling the Chileans who objected to the bishop "stupid" and "leftists."

Advocates of sex abuse victims were affronted once again in February when, in keeping with his vision for a more merciful church, he reduced sanctions against some priests convicted of pedophilia. The Vatican has also been criticized as retreating into a bunker mentality when accusations were made against its own.

"It is important to recall that Cardinal Pell has openly and repeatedly condemned as immoral and intolerable acts of abuse committed against minors," the Vatican spokesman, Greg Burke, said on Thursday after Cardinal Pell read his statement.

He added, "the Holy Father, who has appreciated Cardinal Pell's honesty during his three years at work in the Roman Curia, is grateful for his collaboration."

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

ROME — The Catholic Church's child sexual abuse scandal ensnared one of Pope Francis's top lieutenants on Thursday, underlining the halting progress the reformist pontiff has made in addressing decades of abuse by the clergy, even as Cardinal George Pell declared himself innocent of the charges against him.

Pell, one of the most powerful officials in the Vatican, said he would return to his native Australia to fight multiple charges of sexual assault. He became the highest-ranking Vatican official to be formally accused by law enforcement when Australian police charged him Thursday.

Advocates for victims of child abuse said that allowing Pell to face charges in Australia, rather than keeping him inside the walls of Vatican City, was a major step for a church that might have shielded him in earlier years. But they also said that the cardinal's ability to remain in his post until Thursday, despite controversy about his role in the Australian church's years of abuse, was a sign that Francis had not fully reckoned with one of the most painful chapters in modern Catholic history.

The case pulls Francis's papacy back into the abuse scandals that have battered the church for nearly two decades and led to demands for sweeping changes on monitoring, selecting and training the clergy. In the United States and elsewhere, groups continue to press for full accountability within the Catholic Church for alleged abuse of children and others going back generations. Many recommendations of a flagship reform commission impeached by Francis, meanwhile, have been endorsed by the pope, then ignored by the Vatican bureaucracy.

Speaking to reporters at the Vatican, a subdued Pell denounced "relentless character assassination" in the media.

"I repeat that I am innocent of these charges. They are false. The whole idea of sexual abuse is abhorrent to me," said the 76-year-old cardinal, who until Thursday was in charge of reforming the church's antiquated and opaque finances.

Australian police earlier Thursday announced that Pell faces multiple charges of "historical sexual assault offenses," that nation's term for charges related to past conduct.

Australian officials did not offer details of the alleged crimes, saying that Pell has a right to due process.

Pell, Australia's most senior Catholic prelate, has faced questions for years about his role in the Australian church's staggering scale of sexual abuse. But he had never been directly charged.

He is scheduled to appear before a Melbourne court on July 18.

The Vatican, meanwhile, said that it learned of the charges "with regret" and that Francis appreciated the cardinal's honesty and commitment during his three years in the Holy See.

[Cardinal Pell's rise in the church]

Spokesman Greg Burke noted in the statement to reporters that Pell has "repeatedly condemned as immoral and intolerable" acts of abuse against minors.

Francis has a mixed record on dealing with abuse, according to survivors and their advocates. He has done far more than his predecessors to try to prevent further crimes, but some critics say they are disappointed that he has sometimes appeared reluctant to punish priests for past abuses.

"The pope certainly does understand the effects of abuse, the horrible damage it does to victims, and he has made an effort. But on the other hand, we haven't seen an enormous amount of change," said Marie Collins, an Irish survivor of clergy sexual abuse who quit Francis's commission in March

because she was frustrated that few reforms were taking hold.

"I was more hopeful a few years ago than I was now, because I've seen close up how difficult it is to get change," Collins said. "It can't all be laid at the feet of Pope Francis."

Defenders of Francis say he has held priests accountable, including as recently as last month, when he defrocked, or ejected from the priesthood, an Italian man, Mauro Inzoli, who was convicted of child sex abuse in an Italian court. The decision was announced Wednesday.

Still, perhaps emblematic of Francis's record, the decision came only after he had reversed a previous move by Pope Benedict XVI to defrock the priest.

Pell's decision to face charges in Australia was seen as another positive signal by some Vatican watchers.

"These facts pertain to abuses that have been too long underestimated by the church's mentality, and it's only fair that they should not be downplayed," said Andrea Tornielli, a Vatican journalist who has co-written a book with Francis.

The papal commission's work also has been moving forward, if slowly. One current member said she felt pleased about the recommendations the panel has made on the training of priests and the treatment of abuse victims.

"I am optimistic. Perhaps I am wrong. But I came to the commission with hope that we will be able to learn lessons from historical survivors and then to improve the protection of minors every day," said Catherine Bonnet, a French psychiatrist.

But critics said that the charges were a sign that significant change at the Vatican will come only through outside pressure, not from within.

"Given the decades, maybe the centuries, they have known about

these child sex crimes and have done so very, very little to make changes, I don't see them changing," said Barbara Dorris, the managing director of the Survivors Network of Those Abused by Priests (SNAP), an organization for victims. "I think what's changing is society."

Peter Saunders, a British abuse survivor who also served on the papal commission, agreed. The charges against Pell "will probably rock the Vatican like nothing else has ever done," he said.

Pell, who entered the priesthood in 1966, was an adviser to the bishop of Ballarat through the 1970s before becoming the archbishop of Melbourne, then of Sydney.

One victim of sexual abuse in Ballarat, Peter Blenkiron, said Thursday that he did not feel any happiness about the charges against Pell, who oversaw education in the district in 1974, when Blenkiron was abused by a member of the church's Christian Brothers order who was later convicted of pedophilia.

[Pell grilled last year about "absolutely scandalous" abuse over the decades]

PowerPost's must-read morning briefing for decision-makers.

"There are so many families that have lost a parent and brothers and sisters. It is so raw in Ballarat," he said.

Critics said they were unsure whether any changes will take hold.

"Francis has done some very important things," said Emiliano Fittipaldi, a journalist who has written about abuse. "But the fight against pedophilia is not his priority,"

Birnbaum reported from Brussels and Patrick reported from Sydney. Anthony Faiola in Miami, Paul Schemm in Addis Ababa, Ethiopia, and Brian Murphy in Washington contributed to this report.



Miller and Sokolsky: Can secretary of State reclaim his job?

Aaron Miller David and

Richard Sokolsky

Defending his boss recently against charges that he's heading up an incredible shrinking State Department, strategic adviser R.C. Hammond opined that the Secretary Rex Tillerson is thinking like a cowboy. Comparing words to bullets, he said "You carry a revolver with only six shots, and you don't waste your bullets."

Fair enough. Successful secretaries of State husband their resources and invest in issues that are strategic and strike at the right time. But five months in, and based on our long tenures at the State Department under both Republican and Democratic administrations, it seems pretty clear that at least in five cases, Tillerson's gun jammed or the rounds he fired went wide of their mark. Presumably he has yet to use the sixth bullet — a frank conversation with the president

about his presumed aspirations to be a consequential secretary of State. Will he?

Tillerson reportedly is at the boiling point over everything from leaks to personnel. When it comes to his core diplomatic mission, he is struggling for leverage or even a role on several key foreign policy issues confronting the nation.

Arab-Israeli: In our experience, it's virtually unprecedented that a

secretary of State would not be empowered by a president to lead or play a significant role in managing Arab-Israeli negotiations. That does not mean the White House would not exercise overall responsibility or that a special envoy might not be involved. But Tillerson is an exceptional case. Instead it's President Trump's son-in-law, Jared Kushner, and Trump's attorney, Jason Greenblatt, who are dominating the U.S.-Israeli relationship and the peace process.

Unlike his predecessors, Tillerson is simply nowhere to be seen on an issue typically considered an important component of any secretary's portfolio.

Saudi Arabia-Qatar: The White House, led by Trump and Kushner, is also dominating America's relationship with Saudi Arabia at the most senior and personal of levels. The Gulf is where Tillerson, the former ExxonMobil CEO, actually does have extensive experience and contacts. And yet during the recent crisis between the GCC and Qatar, Trump undermined and publicly contradicted Tillerson when he offered up a sensible and restrained approach to how to mediate and defuse the crisis.

Russia: Tillerson has committed one of the most deadly sins in the eyes of the president: he has essentially reaffirmed the Obama policy toward Russia. He has consistently taken a tough line on Russia and been steadfast in his opposition to lifting sanctions until Russia gives up Crimea and complies with its commitments under the Minsk Accords to withdraw its forces from Eastern Ukraine. Nor has

he, unlike his boss, shown any public display of affection toward the Russian autocrat.

Afghanistan: The president has outsourced decisions on future U.S. force levels in Afghanistan to Defense Secretary James Mattis. There is no evidence that Trump understands that however he defines winning in Afghanistan, it requires a political and economic strategy as well U.S. boots on the ground. It also requires a "whole-of-government" approach. Yet Tillerson has just dismantled the office in the State Department that could have put such an approach together, and Trump has proposed State Department budget cuts that will make it even more difficult. Clearly, State will not be at the cutting edge of developing the path forward in Afghanistan.

Climate Change: When he headed ExxonMobil, Tillerson said climate change was real, favored a carbon tax and supported the Paris accord on climate change. As secretary of State, he opposed the president's decision to withdraw from the treaty. Clearly, he was out of step with a man who has said climate change is a hoax (or a plot by China) and made us, along with

Nicaragua and Syria, one of only three countries that are not part of an agreement signed by 195 other nations.

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

Tillerson's travails flow from many factors. He's new to the ways of Washington and he's the only secretary of State in the modern period without any government service. He also presides over a State Department that in recent years has seen its influence and power wane as the National Security Council, the intelligence agencies and the Pentagon, now managing three wars in Iraq, Afghanistan and the war against jihadi terror, have gained influence and power at State's expense.

Beyond that, Tillerson is dealing with a president who is comfortable with multiple sources of authority on foreign policy, makes policy in many cases without consulting experts and doesn't show much interest in the substance of foreign policy. He hasn't even bothered to create the impression that Tillerson is his go-to guy on the subject.

Without a reasonably close relationship with Trump and

authority conferred by the White House, it matters little or not at all how talented the nation's chief diplomat may be. He or she cannot succeed. Tillerson might decide at some point to have a make or break conversation with Trump about what issues he wants to own and make clear he needs the president to get out of his way. But the secretary strikes us as too risk-averse for that. More likely he'll hang back, keep below the radar and wait for a crisis to exploit and allow him to shine — a moment, of course, that may never come.

Aaron David Miller, a vice president at the Woodrow Wilson International Center for Scholars and a former State Department adviser and Middle East negotiator, is the author of The End of Greatness: Why America Can't Have (and Doesn't Want) Another Great President. Richard Sokolsky, a senior fellow at the Carnegie Endowment for International Peace, served in the State Department for 37 years.

The New York Times Editorial : A Sign of Hope From Mr. Tillerson

When the State Department rolled out its annual human rights report in March, cataloging abuses in countries around the world, Secretary of State Rex Tillerson was nowhere to be found. Unlike his recent predecessors, he didn't introduce the findings at a press briefing; in fact, there was no briefing, just an anonymous senior official taking questions by telephone.

Flash forward to this week when another annual report — this time on a modern form of slavery known as human trafficking — was released with real fanfare. Not only was there an on-camera press briefing, but Mr. Tillerson was the headliner, joined by Ivanka Trump, President Trump's daughter and adviser, who helped draw an overflow media crowd to the event.

Whether this means Mr. Trump himself will now give greater priority to human rights remains to be seen. Still, it seemed a hopeful sign that Mr. Tillerson and Ms. Trump chose to put their own political weight behind the report, and more broadly, the American effort to press other governments to improve anti-trafficking laws and prosecutions. Human trafficking is a 21st-century scourge, enslaving millions of

vulnerable people, including many children, in sex networks and forced labor.

Mr. Tillerson, making the case for American engagement, said trafficking "breeds corruption; it undermines rule of law; it erodes the core values that underpin a civil society." Ms. Trump said combating trafficking is in the country's "moral and our strategic interest" and is a "major foreign policy priority" for the administration. More than that, as the mother of small children, she said, she saw the report as a "clarion call to action in defense of the vulnerable, the abused and the exploited."

Such reports, which rank countries in four groups according to their success in combating trafficking, inevitably involve political calculations as officials calibrate the costs of criticizing other governments. This year, the State Department's least defensible decisions involved excluding Myanmar, Iraq and Afghanistan from an auxiliary list of countries banned under a special law from certain American military assistance because their armed forces recruited child soldiers. Iraq and Myanmar were on the list in 2016; Afghanistan was not. The text of the report mentioned violations by all

three countries. In the overall trafficking rankings, the report gave better marks to Afghanistan and Myanmar, while still acknowledging their failings; Iraq was downgraded.

The report also served as a means for the administration to ratchet up pressure on China, which, in a change from 2016, was named one of the worst human trafficking offenders, along with Iran, Russia, North Korea and 19 others. President Trump is already angry that China has not done more to force North Korea to give up its nuclear weapons program; Mr. Tillerson argued that the proceeds North Korea received from human trafficking could be used to finance that program and further threaten American national security. Up to 80,000 North Koreans are forced to work in construction, mining and food processing jobs, primarily in China and Russia.

Despite the report's message to China and other offenders and Mr. Tillerson's and Ms. Trump's words, the administration's broader human rights record has been miserable, largely because of the man in the Oval Office. Start with Mr. Trump's embrace of autocrats from Russia's Vladimir Putin, blamed for the deaths of journalists and political opponents; Egypt's Abdel Fattah el-

Sisi, who has jailed thousands of dissidents; and the Philippines' Rodrigo Duterte, who has killed thousands of Filipinos in a murderous crackdown on drug addicts and dealers.

Add to that Mr. Trump's failure to discuss human rights in Saudi Arabia, which limits the freedoms of women and prosecutes a war in Yemen that has become a humanitarian catastrophe; his refusal to close the prison at Guantánamo Bay; and his attempts to ban all Muslims from the United States, including refugees. Questions about labor conditions at Chinese factories that make shoes for Ms. Trump's brand have also been raised.

Does this administration see promoting human rights as part of America's role in the world, or not? Given all the mixed messages, it's a fair question. Here is one way to begin to answer it in the affirmative: Liu Xiaobo, a Nobel Peace Prize-winning democracy activist jailed for 11 years, has cancer. Mr. Trump and Mr. Tillerson should urge Beijing to let him go, to seek treatment wherever he and his wife can find it.

Laura Meckler

Trump Administration Tightens Limits on Getting Into the U.S., Targeting Six Nations and Refugee Program (UNE)

WASHINGTON—The Trump administration began enforcing its temporary ban on refugees and on visitors from six Muslim-majority nations on Thursday evening, exempting only those travelers with close family or business ties in the U.S., officials said.

The guidelines are a narrow reading of a Supreme Court ruling on Monday that required the U.S. to continue to admit people who have "bona fide" relationships—with either people or institutions—into the country. Under the new rules, for instance, a sister or a husband of an American citizen wouldn't fall under the ban, but an aunt or a grandparent would.

But late Thursday, the administration reversed course and included people engaged to be married on the list of those with close family ties who are exempt from the ban.

The new rules came under immediate legal challenge. Challengers in one of the two principal legal cases, from Hawaii, made emergency court filings Thursday asking a federal judge there to "clarify" what the Trump administration can and can't do with its partial ban. They argued for a broader set of exemptions.

It was unclear when the court would rule.

The travel ban has been one of the most divisive acts of Donald Trump's short presidency. Mr. Trump and his backers have argued it is an overdue effort to fight terrorism, while a coalition of Democrats, immigration lawyers, refugee advocates and Muslim activists say it runs contrary to the Constitution and American values of diversity.

"As recent events have shown, we are living in a very dangerous time, and the U.S. government needs every available tool to prevent terrorists from entering the country and committing acts of bloodshed and violence," said White House spokesman Michael Short.

While the executive order on the travel ban has been toned down since its introduction in January, it continues to spark protests. Still, few

people on either side of the debate were expecting the sort of chaos that unfolded at airports following the abrupt implementation of the first version of the order.

A revision issued in March after courts blocked the initial one exempted travelers holding visas and legal permanent U.S. residents. Administration officials said Thursday that, under the latest rules, refugees booked for travel before July 6 will be admitted.

Guidelines being issued to Customs and Border Protection agents who work at ports of entry direct them to honor valid visas and only turn back people who would be rejected under normal operating procedures, administration officials said.

But concerned about the sort of bad publicity that accompanied the first order, officials cautioned that foreigners arriving in the U.S. are routinely subjected to rigorous screening and said advocates shouldn't assume the executive order is to blame if someone from one of the targeted countries is subjected to it.

Most of the action is likely to be invisible to the public, unfolding overseas at the desks of consulate officers as they reject visa applications from citizens of the targeted nations—Iran, Libya, Somalia, Sudan, Syria and Yemen—that might have otherwise been accepted. People rejected for visas can request waivers, and they will be considered case by case, officials said.

For refugees, Mr. Trump set the cap on admissions for this fiscal year at 50,000, and officials said that as of Wednesday evening, 49,009 had already been admitted. Under the Supreme Court ruling, though, refugees who can prove close ties to the U.S. won't be counted in the total.

Both the January and March executive orders were quickly put on hold by federal courts around the country, finding them likely to be unconstitutional. The first order was found to lack due-process protections. Lower court judges ruled the March order likely discriminated against Muslims and said the president didn't properly justify the action.

On Monday, the Supreme Court allowed the Trump administration to begin implementing the order until the justices can hear and rule on a pair of legal challenges this fall. But the high court also ordered the administration to make exceptions for visa and refugee applicants who have a bona fide relationship with people or institutions in the U.S.

Interpreting that order, administration officials said visa applicants and refugees with U.S.-based spouses, children, parents and siblings, including in-law and step relationships, would be allowed in. But those with only lesser ties—such as grandparents, grandchildren, aunts, uncles and cousins—would be subject to the ban.

A senior administration official said the line designating close family ties was drawn to ensure the exceptions aren't so broad as to swallow the rules altogether and allow virtually anyone in.

Officials said the administration based its decision on exemptions for relatives on the definition of family in the 1965 Immigration and Nationality Act. The administration added parents-in-law, as they were specified in the court decision, officials said.

The change on fiancés was made at the suggestion of government attorneys, an administration official said.

For refugees, the administration closed off one potential path to admission. The State Department said a connection to a resettlement agency isn't a bona fide relationship that qualifies for an exception to the ban. Agencies had argued that it was.

Hawaii's challenge asked that the ban not be enforced against people with other types of family relationships. The state also argued that the ban shouldn't apply to refugees with a close connection to a person or organization in the U.S., even if that connection wasn't family-based.

The definition of close family ties came under immediate fire from advocates.

"How is a sister a 'bona fide' relationship but a grandparent is

not? Especially when you're talking about a culture where family relationships are very fluid," said Sirine Shebaya, a senior staff attorney for Muslim Advocates. "A grandmother is sometimes as close as your mother."

Those who want to come for business must show a "formal, documented" relationship with a U.S. entity that was formed in the ordinary course of business and not created for the purpose of evading the travel ban, officials said, echoing the language of the Supreme Court decision.

Examples of acceptable business ties include students admitted to U.S. educational institutions, people who have accepted a job offer in the U.S. or a lecturer invited to address an audience in the U.S. Those examples were spelled out in the court ruling and repeated Thursday by the administration.

Among the six nations, the order's biggest impact is likely to be on Iran, which sends far more people to the U.S. than any of the others. The number of visitors from all six countries has fallen compared with last year, but Iran still sent 1,284 in April, the Department of Homeland Security said earlier this month.

The 90-day period covering the ban on visitors from the six countries began Monday following the high-court action. At the end of it, the administration could decide to extend the existing restrictions, add additional countries to the list or otherwise modify the list.

When the Supreme Court hears arguments on the executive order in October, it is possible that the original travel restrictions would have been replaced by new ones, based on the reviews that are now under way. That could give the court an opening to avoid issuing a definitive ruling on the policy now in place.

—Ian Lovett, Brent Kendall and Felicia Schwartz contributed to this article.

Travel ban takes effect as State Department defines 'close family' (UNE)

By Carol Morello
After five months

of bitter legal squabbling, the Trump administration's modified travel ban took effect Thursday night under

new guidelines designed to avert the chaos of the original rollout. But the rules will still keep many families

split and are likely to spawn a new round of court fights.

The State Department on Thursday announced new criteria to determine who will be allowed to enter the United States as a visitor or a refugee. The travel restrictions are temporary for now — 90 days for visitors and 120 days for refugees coming from six Muslim-majority countries: Iran, Libya, Somalia, Sudan, Syria and Yemen. But the administration took a particularly strict interpretation of a Supreme Court ruling Monday that only those with “bona fide” relationships, such as close family members, can enter the country.

The administration's new rules do not allow grandparents, grandchildren, uncles, aunts, cousins and fiancés. They do allow sons-in-law, daughters-in-law and stepchildren.

Advocates and lawyers criticized the family list as capricious.

“The president is supposed to protect American families, not rip them apart,” said Shayan Modarres, a lawyer with the National Iranian American Council.

The Supreme Court on June 26 decided to allow a limited version of President Trump's travel ban to be implemented. The court will also hold a hearing on the case in the fall. The Supreme Court decided to allow a limited version of President Trump's travel ban to be implemented, and will hold a hearing on the case in the fall. (Video: Bastien Inzaurrealde/Photo: Jonathan Newton/The Washington Post)

(Bastien Inzaurrealde/The Washington Post)

The effect of the travel ban this time may be more muted compared with the effort in January, but the restrictions are still broad. Citizens of the six targeted countries will be denied visas unless they can prove a close family relationship or a connection with a school or business.

Late Thursday, lawyers for the state of Hawaii asked a federal judge to stop the government from enforcing the ban.

In a court filing, the lawyers argued that fiancés, grandparents, grandchildren, brothers-in-law, sisters-in-law, aunts, uncles, nieces, nephews, and cousins of those in the United States should be allowed to enter from the six affected countries, as they could credibly

claim connections to America.

The lawyers also argued that the government should not be allowed to bar refugees “who already have a documented agreement with a local sponsor and a place to live.”

“The Government does not have discretion to ignore the Court's injunction as it sees fit,” the lawyers wrote. “The State of Hawaii is entitled to the enforcement of the injunction that it has successfully defended, in large part, up to the Supreme Court — one that protects the State's residents and their loved ones from an illegal and unconstitutional Executive Order.”

A long set of instructions was sent via cable Wednesday to diplomatic posts worldwide, and took effect at 8 p.m. Eastern time Thursday. Senior administration officials said the timing would allow everything to go smoothly without the turmoil that greeted the original travel ban, which was imposed with no notice in an executive order earlier this year, putting some travelers in limbo when the rules changed while they were in midflight. Nevertheless, some advocates and immigration lawyers were at airports on the East and West coasts to observe the ban's implementation.

“It will be business as usual for us,” said a senior U.S. official, speaking on the condition of anonymity to outline the changes. “We expect things to run smoothly, and our people are well-prepared for this and they will handle the entry of people with visas professionally, respectfully and responsibly, as they have always done, with an eye toward ensuring that the country is protected from persons looking to travel here to do harm.”

State Department spokeswoman Heather Nauert defended the restrictions as a way to assure Americans that foreign visitors and refugees are not coming to harm them.

“The American public could have legitimate concerns about their safety when we open our doors,” she said, “and we open our doors to people who go through proper screening measures and who want to be here and be productive members of society.”

Still, some administration officials struggled to explain why the ban was justified or how it will make Americans safer, because no

visitors or refugees from any of the six countries listed in the travel ban have ever been arrested in connection with a terrorist attack on U.S. soil. When asked during a briefing with reporters, several officials said they were following the guidelines interpreted by lawyers from a Supreme Court decision allowing the travel ban to go ahead, with some limitations, until the case can be argued before the court in October.

Human rights groups criticized the ban and suggested that more legal battles are to come.

“It remains clear that President Trump's purpose is to disparage and condemn Muslims,” said Omar Jadwat, director of the American Civil Liberties Union's Immigrants' Rights Project. “The reported guidance does not comport with the Supreme Court's order, is arbitrary and is not tied to any legitimate government purpose.”

The new rules apply to refugees as well as visitors. But the number of refugees who can be admitted is already nearing an end, three months short of the end of the fiscal year. Fewer than 1,000 spots are available before the 50,000 limit Trump set in January is reached. By comparison, the Obama administration had set the limit at 110,000. Refugees with flights booked by July 6 should encounter no problems, and after that, the State Department hopes to have a better idea of how to proceed.

Even after the limit is reached, however, refugees with close family members in the United States will be allowed entry. More than half of all U.S.-bound refugees typically have some family members in the United States, although in some cases the relatives may be in the excluded category.

Senior administration officials said they drew up the list of close relationships based on the definition of family in the Immigration and Nationality Act of 1965.

The relatives deemed sufficiently close family members to exempt people from the travel ban, whether as visitors or refugees, are: a parent, spouse, child, an adult son or daughter, son-in-law, daughter-in-law or sibling, as well as their stepfamily counterparts.

There may be some wiggle room to accommodate special cases, such

as a grandmother or uncle who raised someone now living in the United States.

“If they don't have the requisite family relationship, if they would like to articulate a reason that we should nevertheless waive the inadmissibility, they are certainly welcome to articulate that reason to us,” a senior administration official said. “And we will look at those cases case by case, but it won't be the relationship that will be the determining factor.”

The administration insisted that it will reject any claims by resettlement agencies that they have a bona fide relationship with a refugee, as some have said they would do. The advisory cable sent to consular officials Wednesday said that any relationship “must be formal, documented, and formed in the ordinary course, rather than for the purpose of evading” the executive order.

Stephen Yale-Loehr, a professor at Cornell University Law School, who has written volumes of books on immigration law, said the travel ban would have barred many refugees who came to the United States years ago and have caused no problems. Among them are the Lost Boys of Sudan and children orphaned by famine and war.

“Similarly, why can a stepsister visit the United States but not a grandmother?” he asked. “The State Department should vet visa applicants on a case-by-case basis for terrorism concerns, not impose overly broad categories that prevent innocent people from coming to this country,” he said.

Amnesty International called on Congress to overturn the travel ban and said it dispatched monitors to airports to observe whether anyone was being denied entry.

“Separating families based on these definitions is simply heartless,” Naureen Shah, director of campaigns for Amnesty International USA, said in a statement. “It further proves the callous and discriminatory nature of Trump's Muslim ban.”

Matt Zapotosky contributed to this report.

**The
New York
Times**
and Ron Nixon

Administration Moves to Carry Out Partial Travel Ban (UNE)

Gardiner Harris,
Michael D. Shear

WASHINGTON — The Trump administration moved aggressively on Thursday to fulfill one of the president's most contentious

campaign promises, banning entry into the United States by refugees from around the world and

prohibiting most visitors from six predominantly Muslim countries.

Freed by the Supreme Court to partly revive President Trump's

travel ban, administration officials said the American border would be shut to those groups unless specific individuals can prove they have close family members living in the United States, or are coming to attend a university or accept a job offer.

Officials said those exceptions would be defined narrowly. In a lengthy cable sent to embassies and consulates around the world, officials said that extended family connections would not be enough to evade the president's ban on entry. Parents, including in-laws, are considered "close family," but grandparents are not, for instance. Stepsiblings and half-siblings will be allowed, but not nieces or nephews.

Late Thursday, the Trump administration added people who are engaged to be married — who originally were not considered to be close family members — to the list of sufficient connections.

Critics immediately denounced the administration, accusing the White House of violating the Supreme Court's directive to exempt anyone with a "bona fide" family connection to the United States. Civil rights groups vowed to challenge what they said was a renewed attempt by Mr. Trump to keep Muslims out of the country.

"It remains clear that President Trump's purpose is to disparage and condemn Muslims," said Omar Jadwat, director of the A.C.L.U.'s Immigrants' Rights Project, adding that the government's new ban on entry "does not comport with the Supreme Court's order, is arbitrary and is not tied to any legitimate government purpose."

One week after taking office, Mr. Trump shut down travel from seven mostly Muslim countries, including Iraq, and blocked entry by all refugees, saying that a "pause" was necessary to evaluate the vetting of visitors from places the government deemed dangerous.

Critics assailed that first order as a veiled attempt to make good on Mr. Trump's campaign promise to impose a "Muslim ban." After courts blocked it, the president issued a modified order directed at six countries, not including Iraq. That order was blocked as well, with federal appeals courts ruling that it

discriminated based on religion, in violation of the First Amendment, and exceeded the president's statutory authority.

The decision Thursday by the administration to revive and aggressively enforce another version of the president's travel ban is certain to keep the intense debate about America's borders going into the Supreme Court's fall term, when the justices are scheduled to decide the legal fate of Mr. Trump's efforts to restrict entry by particular groups.

Officials said they were determined to "meet the intent of the presidential directive" within the boundaries set by the Supreme Court, which issued an interim opinion when it agreed to consider the issue in its next term. Administration officials said their definition of a "family connection" was based on existing immigration law and directions from the court.

Hours before the new guidelines went into effect Thursday evening, officials predicted little of the chaos that engulfed airports in January, when the president issued his original travel ban. This time, officials said, people already booked to travel to the United States would be allowed to enter. And they made it clear that legal permanent residents were not affected by the ban.

But the administration's newest move could prompt another wave of litigation as advocates for those trying to enter the United States ask courts to halt enforcement of the ban. Already, lawyers in Washington have asked the court to allow the entry of refugees with no "credible claim of a bona fide relationship with a person or entity in the United States."

Other lawyers representing people who have been blocked from visiting the United States described the government's actions as meanspirited and said they made unreasonable distinctions about family relations.

"Allowing a U.S. citizen to bring their Syrian mother-in-law but not their Syrian brother-in-law doesn't make us any safer, and doesn't even really make any sense," said Gadeir Abbas, a staff lawyer at the Council on American-Islamic Relations.

Mr. Trump has said that his travel ban does not directly target Muslims, although the six countries on the list that the president has deemed dangerous — Iran, Libya, Somalia, Sudan, Syria and Yemen — are majority Muslim.

Mohammad Javad Zarif, Iran's foreign minister, condemned the administration's move. "U.S. now bans Iranian grandmothers from seeing their grandchildren, in a truly shameful exhibition of blind hostility to all Iranians," he tweeted.

For refugees fleeing civil wars and violence around the world, the administration's action on Thursday means that a 120-day ban on entry from all countries will most likely bar many of them from finding safety in the United States.

As of Wednesday night, 49,009 refugees had been allowed into the United States so far this fiscal year, which ends Oct. 1. Officials predicted that the new 50,000 cap would be reached by July 6, so refugees who are planning to travel after that date will not automatically be allowed into the country. Travel arrangements for refugees beyond July 6 will not be allowed until the State Department makes an assessment, officials said.

Even after the 50,000 limit is reached, however, refugees with family ties that meet the new guidelines will be allowed into the United States, officials said.

"The U.S. government is once again unfairly changing the rules on refugees who, after fleeing for their lives, are now struggling to eat and to stay alive while they try to follow those rules," said Mark Hetfield, president and chief executive of HIAS, a refugee and resettlement agency.

Lawyers for refugees said they interpreted the Supreme Court's interim opinion as saying that refugees who have a longstanding connection to one of the refugee placement agencies would qualify to enter the United States.

But administration officials said the opposite on Thursday, telling reporters that the yearslong process that refugees undergo to be vetted and connected with communities in the United States did not, by itself, constitute a "bona fide relationship"

with an institution in the United States.

Refugee agencies argued in a letter sent Wednesday to Secretary of State Rex W. Tillerson that their clients should pass muster.

"The order stated that a bona fide relationship with an entity should be 'formal, documented and formed in the ordinary course, rather than for the purpose of evading E.O.-2,'" Hans van de Weerd, chairman of the Refugee Council USA, the coordinating body for agencies that handle resettlement, wrote in the letter, referring to the president's executive order. He added that refugee agencies only accept applicants who have already proven that "he or she has ties to the United States."

Advocates for refugees and others also complained on Thursday that the administration had little evidence for how the travel ban would protect citizens and others living in the United States.

No Americans have been killed by terrorist attacks on United States soil undertaken by anyone from the six targeted countries since at least 1975, according to a Cato Institute study, and at a midday news conference, top officials from the departments of State, Homeland Security and Justice would not say how the president's executive order would make the country safer.

In a briefing later in the afternoon, Heather Nauert, the State Department's spokeswoman, said those officials were career employees charged with carrying out the order, not defending its politics. When asked to defend the order herself, Ms. Nauert, a political appointee, was halting in her response.

"With some of these countries, we would take issue certainly with the government of Iran, and some of the nations there can be concerns," she said. "And the American public could have legitimate concerns about their safety when we open our doors. And we want to open our doors to people who are willing to go through proper screening measures and who want to be here and want to be productive members of our society."

ETATS-UNIS



Bernstein : Bipartisanship Dies on the Hill of Obamacare

Jonathan Bernstein

With the Republicans' health-care bill in crisis, some have suggested they try a bipartisan approach. To understand the prospects of such a thing, recall the most important political distinction about health care: Republicans hate Obamacare, but they are mostly indifferent about the Affordable Care Act.

Yes, I know, Obamacare is the Affordable Care Act. But it's a distinction that makes sense anyway. "Obamacare" is the most evil legislation in the history of the galaxy, featuring death panels and, well, the details get fuzzy after that, but it's definitely a disaster, one that absolutely must be fully and totally repealed. The Affordable Care Act is a complicated law that contains a wide variety of provisions, many of them traditionally supported by Republicans. No one is demanding to eliminate, say, the provisions that have encouraged the switch to digital medical records. Indeed, ever since 2013, when the law was fully implemented, "repeal" has been a nonsense idea. "Repeal" implies a return to the status quo, but that world is simply gone. Republicans could replace the current health insurance system with something very different or with something broadly similar, but they can't go back to January 2009.

That's not to say there isn't a profound difference

between Republican conservatives and Democratic liberals on health care. There is! But it's one over the fundamental responsibility of government to enable (almost) everyone to have some sort of health coverage, be it private insurance, public insurance or some mix of the two. And that's an argument that Democrats appear to have won for good in 2009, and that Republicans don't even want to fight -- thus Republican efforts to portray Medicaid cuts as somehow harmless and not even cuts after all. (Yes, it's a "cut" if the law is changed in order to spend less money. End of story, really.)

At any rate, while a few Republicans are willing to say publicly that it's just tough luck if people don't have any insurance, most of the party claims they're trying to cover more people, not fewer, and to provide better, cheaper coverage, as if that was the proper role of the government. As I said, the argument is to a large extent over, although whether people will actually have available, affordable coverage is up in the air whether the Republican plan passes or not.

What all this means for the politics of health care right now is that a bipartisan approach can only help with fixing or improving the Affordable Care Act; choosing bipartisanship would almost by

definition be a total surrender of the goal of "repeal and replace," at least as long as Democrats say they want to keep Obamacare in place.

The split between the Affordable Care Act and Obamacare gave Republican leaders a large opportunity: They were in a perfect position to define Obamacare however they liked, and most Republicans (except for a handful of true ideologues and a perhaps larger handful of contrarians) would go along. That's pretty much what happened, but instead of defining it in a way that made it easy to reach 218 votes in the House and 50 plus the vice president in the Senate, Paul Ryan and Mitch McConnell defined repealing Obamacare as slashing Medicaid, which is a very difficult sell to even Republican members of Congress. The funny thing is, they probably still could go back to the drawing board if they wanted to and entirely redefine Obamacare again, but at least so far they don't seem interested.

There's just no way that repealing and replacing Obamacare can be bipartisan. So until and unless Republicans give up that goal, they're not going to even try to work with Democrats.

1. Katerina Linos and Kimberly Twist at the Monkey Cage on how the Supreme Court changes public

opinion (with help from media norms).

2. Rick Hasen on the Supreme Court and gerrymandering.

3. My Bloomberg View colleague James Gibney on why it matters that the world doesn't like Donald Trump.

4. Ross Douthat on Harry Potter, politics and culture. I don't think he gets Potter right at all, but others may disagree; he's interesting on meritocracy, whatever he thinks about Potter.

A daily round-up of superb political insights.

Jonathan Bernstein's Early Returns

5. And Alan Jacobs on Douthat, Potter, politics and culture. Are the Potter books childish? I don't think so. Nor do I think they are best read as thinly veiled analogies for British (much less U.S.) politics; indeed, the bits in which they clearly are analogies are, I'd say, among the weakest bits. Well, that and some of the Quidditch. But that doesn't mean that there's nothing interesting about politics and political action in these books.



Frum : How Republicans Can Fix America's Health Care

David Frum

The Senate health-care bill is not definitively dead, but it's unmistakably ailing—and the prognosis is not promising.

The prognosis was *never* promising. All the various Republican health-care proposals circulated since 2010 would remove health-insurance coverage from tens of millions of people, many of them the GOP's most loyal voters. Look for example at the dilemma facing Kentucky's Rand Paul.

Four hundred and forty thousand Kentuckians have gained coverage under the ACA; Kentucky's uninsured rate tumbled from 20 percent in 2013 to 7.5 percent in 2015.

Even more strikingly, it is Kentucky's Appalachian Southeast that has seen the biggest gains from the ACA. And it so happens that southeastern Kentucky voted more staunchly for Paul's 2016 reelection than did any other section of the state.

Paul won 76.6 percent of the vote in Clay County, where 15.6 percent of the total population has gained

coverage via the ACA's Medicaid expansion. He won 81.5 percent of the vote in Jackson County, where 15.1 percent owe their Medicaid to the ACA. He won 84 percent in Leslie County, where 18 percent would lose Medicaid if Obamacare were repealed.

Senator Paul resolved his dilemma in a shrewd way: He spoke to ensure that he kept his standing as the purest of the ideologically pure—and acted to ensure that the white poor of southeastern Kentucky retained their Medicaid coverage.

Other Republican senators found their own excuses to arrive at the same result for their own states. It's generally reckoned that half the people who gained coverage under the Affordable Care Act did so via Medicaid expansion. The Republican ACA alternative would undo that expansion. Unlike the many regulatory changes Republicans had in mind, such a stripping away of an existing benefit is easy to understand—and a natural target for political payback. No surprise then that the senators flinched.

What Republicans have been trying to do all this year is both impressively bold and bizarrely futile. Democratic societies almost never repeal major social insurance programs. The very rare exceptions—like the catastrophic care supplement to Medicare enacted in the last year of the Reagan administration and repealed the following year—are pulled up before they sink deep roots. The determination of Republicans to invest so much time and energy in a doomed struggle represents a certain kind of idealism, but not the kind of idealism on which a governing majority can be constructed. To quote something I wrote after the House GOP fumbled its first vote on ACA repeal-and-replace:

In that third week in March in 2010, America committed itself for the first time to the principle of universal (or near universal) health-care coverage. That principle has had seven years to work its way into American life and into the public sense of right and wrong. It's not yet unanimously accepted. But it's accepted by enough voters—and especially by enough Republican voters—to render impossible the

seven-year Republican vision of removing that coverage from those who have gained it under the Affordable Care Act. Paul Ryan still upholds the right of Americans to "choose" to go uninsured if they cannot afford to pay the cost of their insurance on their own. His country no longer agrees.

Which is how we got to where we are now.

Some conservatives fret that if Republicans fail to repeal Obamacare after seven years of promising, they will blow up their own coalition. Here's radio and TV broadcaster Hugh Hewitt in *The Washington Post*:

It will forfeit every other Republican goal because failing to deliver on the central promise of eight years of debates and campaigns will shatter the credibility every Republican, not just those who block the bill. The party as a whole will be gravely wounded, perhaps beyond healing for a generation or more.

Hewitt is certainly right that it will be embarrassing for Republicans to renege on years of promises of a plan that will repeal Obamacare and replace it with something terrific. But

there are worse things than being embarrassed. Yanking the health coverage of millions of people—that is thermonuclear political explosive.

Still, Republicans have to do something. Obamacare in its present form does bear down hard on Republican voters outside coal country. It does stress the country's finances. It does offend their ideological instincts. What's needed now is something practical: incremental reform in a conservative direction.

Here's where that reform could start in the "mend it don't end it" Obamacare era.

Let's talk candidly about taxes

The Republican health care plan has been derided as a tax cut plan masquerading as a health plan. The rest of the plan is a mess, it is argued, because Republicans' highest priority is to lighten the ACA's tax load on upper-income earners.

That statement of the problem also points the way to some solutions.

If Republicans are most offended by the way the ACA is paid for, then instead of repealing the whole ACA, they should concentrate their energy on changing its financing.

Two financing measures especially irk Republicans: the tax of 3.8 percent on net investment income and the surtax of 0.9 percent on earned income for individuals who earn more than \$200,000. It is above all to end these taxes that Republican anti-ACA energy has been committed for more than seven years.

But those taxes are a bad way to finance health care in themselves!

The surtaxes on rich are pitifully inadequate to the job of financing the ACA's expansion of health coverage. Together, they raise about \$35 billion a year, according to the Tax Foundation, a derisory sum in the context of healthcare economics.

That comparatively small revenue stream forces the architects of the ACA to pay for their ambitions in other ways. The most important of those ways is the invisible internal redistribution within the ACA, from young to old and from middle-income to lower income. Healthy young people in the individual market pay much higher premiums than they would have to on a pure risk-adjusted basis. Their excess premiums contribute to reducing the premiums paid by people in their 50s and 60s. Likewise, the ACA offers generous subsidies to lower-income people, but steeply fades them out for workers in the \$40 to

\$50,000 range, who are not poor but who cannot easily afford insurance at market prices either.

While the surtaxes and "invisible taxes" in the ACA more than cover the costs of the ACA's direct subsidies, they still fall far short of paying for the expansion of Medicaid under the ACA. Remember, more than half the people who gained coverage under the ACA did so through Medicaid—and that is with 19 states still outside the program, including Texas, the second most populous. The ACA's finances are inherently unstable.

With unstable finances come a contested political future. The people who pay the surtaxes may not quite muster the clout to repeal the program. But they are more than sufficiently powerful to continue challenging it for a long time to come. The lesson of Daniel Ziblatt's book on democracy resonates here: The price of stability is buy-in from opponents. So long as the ACA fuses the twin goals of health-care coverage and large-scale income redistribution, that buy-in will not be forthcoming.

The ACA needs a replacement funding stream that yields more revenue and that taxes more broadly. This was the deal that Republicans should have demanded in 2009-2010. It will be harder to achieve today (because with ACA an accomplished fact Republicans now have less to trade), but it still should be their goal. One way to achieve that more difficult goal is to propose funding streams that are not only larger than the surtaxes on high incomes, but that Democrats and liberals will find even more attractive. I've long urged a carbon tax as a way to fund health-care expansion. President Trump's abrupt and unconsidered call for a federal internet sales tax raises another possibility. The U.S. has entered a revolution in retailing that threatens literally millions of jobs. The continuing de facto subsidy to online shopping looks even less justifiable now than ever. Why not a federal tax set to some averaging of state sales taxes on physical stores? Such a tax would raise far more than \$35 billion and would equalize the playing field between retailers in a way that helpfully slows the creative destruction of retailing jobs.

At the same time, Republicans should also welcome higher excise taxes on choices that raise healthcare costs: on alcohol, on processed sweeteners, on marijuana where it is legal. (My own wish, and I recognize how impossible this is, would be to tax bullets as well, but that too radically

challenges present political dogmas.)

Broadening the financing of the ACA would also encourage more Americans to care about health-care costs, as well as health-care benefits. It would put "skin in the game," as conservatives have long advocated—and in a way more politically tolerable than past conservative proposals to this end. Because, along with a new approach to revenues, Republicans should also advocate ...

A new approach to cost-cutting

Republican thinking on health-care cost control has been premised on the idea of "skin in the game." The theory is that health-care costs have been driven by bad consumer choices—and could be restrained by better choices. If consumers shouldered more of the cost of medical care themselves—say, up the \$6,750 per family level implied by health savings account legislation—they would make think twice before calling the doctor, and maybe even generally take better care of themselves. The power of the marketplace would the bring down overall costs.

Even as theory, this idea is not looking very credible these days. Americans do bear more and more of their own insurance costs these days. Average out-of-pocket spending on health care has risen by about 50 percent since the year 2000—faster than that for Medicare beneficiaries—even as American health outcomes have deteriorated.

Politically, this country has been running a referendum on deductibles since the passage of the Affordable Care Act—and the deductibles are losing. All sides now damn them as a failure, not a feature. House Speaker Paul Ryan, on unveiling his replacement to the ACA in March, said that "skyrocketing premiums, soaring deductibles, and dwindling choices are not what the people were promised seven years ago." White House press spokesman Sean Spicer concurred. "I've mentioned this before: Having a card and having coverage that, when you walk into a doctor's office, has a deductible of \$15,000, \$20,000 a year isn't coverage," he said. "Our healthcare plan will lower premiums & deductibles—and be great healthcare!" tweeted Trump in March. That sounds like a commitment.

The future of health-care cost-cutting in America is top-down cost-cutting, not bottom-up. It's the providers who will have to be squeezed, not the consumers. That's a job that demands hard-nosed, green-eye-shade

accountants of the David Stockman type: formerly a Republican specialty.

Even more: It demands rigorous cost-benefit analysis of how better outcomes are purchased. To hazard a generalization, America over-invests in medicine, but under-invests in public health. No country on earth does a better job of saving premature and underweight babies than the United States. Few developed countries do a worse job of ensuring that pregnancies come to a full and healthy term. Enforcing seat belt and helmet laws, curbing the use of narcotics, raising alcohol taxes, reducing consumption of sugars and processed foods, better nutrition programs for pregnant women and new mothers, making even some minimal progress to gun safety standards—all these things would yield far more progress per dollar than money for doctors and hospitals (as doctors and hospitals would be the first to agree). It's precisely the party less beholden to the medical-industrial complex that is better positioned to act as America's rational health cheapskates.

As the health-care industry becomes ever more closely tied to the public sector, the GOP—as the party of the private sector—should accept the responsibility to become the party of skepticism about the claims and perquisites of that industry. If the GOP is to be the party of seniors, it cannot also be the party that rationalizes every price demand of the pharmaceutical sector.

Republicans can do all this in the confidence that ...

There is no tipping point

The conservative political imagination is haunted by the fear of a "tipping point," beyond which there is no return from the sharp downhill path to the tyranny of socialism. That fear inspired Paul Ryan's famous 2010 "makers and takers" speech at the American Enterprise Institute, but you can trace its origins all the way back to the Jacksonian era's debates over allowing the unpropertied to vote. These dreaded tipping points regularly arrive—and it turns that politics does not in fact stop. The forces of conservatism are not forever overthrown. New issues arise; new coalitions are formed.

A future in which health-care anxieties trouble Americans less will be a future *more* open to arguments on behalf of entrepreneurship and free enterprise. Economic risk-taking will become more attractive, not less. Like their British and European counterparts, Americans will listen more attentively to

Republican arguments about skilled versus unskilled immigration as they learn to think about how much people pay into—versus talking out from—the health-care system over

the entirety of their life cycles. It may not be a coincidence that the Republican drought in presidential voting since 1988 has coincided with the years of most intense

national debate over whether all should have health insurance. It's very possible—and I personally think likely—that Republican chances at the presidency will

improve once a vote for the GOP ceases to be a vote against health coverage for all.

The New York Times Krugman : Understanding Republican Cruelty

The basics of Republican health legislation, which haven't changed much in different iterations of Trumpcare, are easy to describe: Take health insurance away from tens of millions, make it much worse and far more expensive for millions more, and use the money thus saved to cut taxes on the wealthy.

Donald Trump may not get this — reporting by The Times and others, combined with his own tweets, suggests that he has no idea what's in his party's legislation. But everyone in Congress understands what it's all about.

The puzzle — and it is a puzzle, even for those who have long since concluded that something is terribly wrong with the modern G.O.P. — is why the party is pushing this harsh, morally indefensible agenda.

Think about it. Losing health coverage is a nightmare, especially if you're older, have health problems and/or lack the financial resources to cope if illness strikes. And since Americans with those characteristics are precisely the people this legislation effectively targets, tens of millions would soon find themselves living this nightmare.

Meanwhile, taxes that fall mainly on a tiny, wealthy minority would be reduced or eliminated. These cuts would be big in dollar terms, but because the rich are already so

rich, the savings would make very little difference to their lives.

More than 40 percent of the Senate bill's tax cuts would go to people with annual incomes over \$1 million — but even these lucky few would see their after-tax income rise only by a barely noticeable 2 percent.

So it's vast suffering — including, according to the best estimates, around 200,000 preventable deaths — imposed on many of our fellow citizens in order to give a handful of wealthy people what amounts to some extra pocket change. And the public hates the idea: Polling shows overwhelming popular opposition, even though many voters don't realize just how cruel the bill really is. For example, only a minority of voters are aware of the plan to make savage cuts to Medicaid.

In fact, my guess is that the bill has low approval even among those who would get a significant tax cut. Warren Buffett has denounced the Senate bill as the "Relief for the Rich Act," and he's surely not the only billionaire who feels that way.

Which brings me back to my question: Why would anyone want to do this?

I won't pretend to have a full answer, but I think there are two big drivers — actually, two big lies — behind Republican cruelty on health care and beyond.

First, the evils of the G.O.P. plan are the flip side of the virtues of

Obamacare. Because Republicans spent almost the entire Obama administration railing against the imaginary horrors of the Affordable Care Act — death panels! — repealing Obamacare was bound to be their first priority.

Once the prospect of repeal became real, however, Republicans had to face the fact that Obamacare, far from being the failure they portrayed, has done what it was supposed to do: It used higher taxes on the rich to pay for a vast expansion of health coverage. Correspondingly, trying to reverse the A.C.A. means taking away health care from people who desperately need it in order to cut taxes on the rich.

So one way to understand this ugly health plan is that Republicans, through their political opportunism and dishonesty, boxed themselves into a position that makes them seem cruel and immoral — because they are.

Yet that's surely not the whole story, because Obamacare isn't the only social insurance program that does great good yet faces incessant right-wing attack. Food stamps, unemployment insurance, disability benefits all get the same treatment. Why?

As with Obamacare, this story began with a politically convenient lie — the pretense, going all the way back to Ronald Reagan, that social safety net programs just

reward lazy people who don't want to work. And we all know which people in particular were supposed to be on the take.

Now, this was never true, and in an era of rising inequality and declining traditional industries, some of the biggest beneficiaries of these safety net programs are members of the Trump-supporting white working class. But the modern G.O.P. basically consists of career apparatchiks who live in an intellectual bubble, and those Reagan-era stereotypes still dominate their picture of struggling Americans.

Or to put it another way, Republicans start from a sort of baseline of cruelty toward the less fortunate, of hostility toward anything that protects families against catastrophe.

In this sense there's nothing new about their health plan. What it does — punish the poor and working class, cut taxes on the rich — is what every major G.O.P. policy proposal does. The only difference is that this time it's all out in the open.

So what will happen to this monstrous bill? I have no idea. Whether it passes or not, however, remember this moment. For this is what modern Republicans do; this is who they are.



Zelizer : Trump is undoing the GOP health care bill, one tweet at a time

Julian Zelizer

(CNN)President Donald Trump is undermining his party's ability to succeed. The President, who has squandered five months of united government, has single-handedly made the entire legislative process more difficult for Republicans.

While Trump maintains strong support from his base, congressional Republicans are struggling to work with him on substantive legislative change -- most recently, the repeal and replace of Obamacare.

As Republicans decide whether to take a highly controversial vote that could cost many of them their political careers -- and their ability to influence public debate -- they have

not been able to count on the President to remain consistent on message. After House Republicans passed a second version of the health care bill, Trump rewarded them by calling the bill "

mean

."

When Senate Republicans struggled to figure out how to salvage a disastrous week on the issue, the President announced that he was "

OK

" if the vote didn't happen this week.

During the important weeks when Republicans are trying to build support for a major change in health

policy, he keeps distracting Americans with one outrageous statement after the other. That's hardly the kind of inspiring oratory that will motivate nervous legislators.

More broadly, there has been no effort to build a message in the last few months on what should be the party's signature legislation. Contrast President Barack Obama, who delivered numerous speeches on his health care bill, including an address to Congress and a televised exchange with Republicans.

Rather than taking the time to build a case with the public like Obama did with the Affordable Care Act or Lyndon B. Johnson did with the Voting Rights Act of 1965 or Ronald

Reagan did with tax reform in 1981, Trump has been consumed with tweeting about what he brands as fake news and reiterating that he really did defeat Clinton.

Indeed, right when Republicans need Trump to help put a new health care bill together, he sent an explosive and outrageous tweet about Mika Brzezinski, which caused an uproar Thursday.

There is also

evidence

he has not paid close attention to the details or the vote. To be fair, this is the kind of information we won't really know for decades, until the presidential archives are opened and we see the records. But several Republicans have

commented, anonymously, that he doesn't seem to know what's in the bill or what's going on in Congress with the vote.

Sen. Susan Collins, R-Maine, said openly that his lack of experience has

been a problem

. In public, many were shocked that he didn't seem to grasp that the Republican bill entails a massive tax cut for wealthier Americans. Perhaps if the President paid as much attention to whipping the vote as he does to watching cable news, Republicans would be in a better place right now. Instead of venting

about Brzezinski, his time would be better spent winning over GOP Sens. Dean Heller of Nevada and Ted Cruz of Texas.

But all this might be unfair to Trump. It could be that the substance of this legislation is so problematic and so unpopular that even the most engaged and charismatic president could never have saved this bill. Maybe, just maybe, enough Americans don't believe it's acceptable to strip away health care coverage from millions of Americans whose only crime is to face illness.

According to the latest NPR/PBS Newhouse/Marist

poll

, only 17% of Americans approve of the Senate bill. And 55% of those surveyed said they outright disapprove of it.

The proposal might not sit well even with Senate Majority Leader Mitch McConnell. In his own home state of Kentucky, The New York Times reports

that one out of three residents now depends on Medicaid coverage under the ACA expansion, and in the time that Obama's program has been in effect, the number of people in Kentucky without health

insurance plummeted from 18.8% in 2013 to 6.8%.

Regardless, Trump has not helped Republicans on the Hill make their case.

If health care passes the Senate and then survives the conference committee, it will be in spite of the President's leadership skills. If the bill fails, a large part of the burden will rest squarely on his shoulders. This is something the elephants in Congress certainly won't forget.

THE WALL STREET JOURNAL

Strassel : The Simplicity of a Health Deal

Kimberley A. Strassel

As Washington continues to boggle the nation with the complex minutiae of health-care reform, the contours of an actual deal aren't nearly so mystifying. The success of the GOP effort comes down to one simple question: Will the most conservative members of Congress accept that the politics of health care have changed?

Or more simply yet: Will they acknowledge that any reform must include continued protections for pre-existing medical conditions?

It's that easy. Yes, the media analysis is correct that there are two camps of defectors from the Senate's reform bill. One consists of Republican moderates—Rob Portman, Dean Heller, Susan Collins, Lisa Murkowski—who claim the bill is too mean to poor and sick people. Cue mind-numbing media stories about Medicaid formulas and per capita spending caps and medical inflation, all of which make a compromise sound high impossible.

Hardly. Here's a tip: When a politician claims a bill "cuts too much," that's an invitation to be bought off. There's a reason several senators who had been largely mum on the GOP bill (Jerry Moran of Kansas, Shelley Moore Capito of West Virginia) came out against it only after Majority Leader Mitch McConnell delayed a vote. They saw the other holdouts were about

to get payola, and they wanted theirs.

And there is cash to be had. With the stakes this high, the Senate leadership will gladly shuffle some money toward opioid treatment, rural health-care providers or Medicaid. So getting the "moderates" on board is simple and transactional. They name a price, they get pork, they vote yes.

The conservatives are the sticking point, precisely because they have principles. Sens. Ron Johnson, Mike Lee, Rand Paul and Ted Cruz have been clear from the start that any bill must lower premiums, which involves getting rid of costly ObamaCare mandates. And there is no question that among the most expensive mandates are those designed to protect individuals with pre-existing conditions—in particular "community rating," which requires insurers to charge the same prices regardless of health status.

The House Freedom Caucus was so intent on getting rid of community rating that it nearly derailed the bill. Only after the conference added an amendment allowing states to apply for waivers from community rating did the most conservative members finally come on board.

Even so, it was always clear that provision was never going to fly in the Senate—and for a simple reason. Freedom Caucus members tend to hail from inordinately conservative (and safe)

congressional districts, whereas senators represent entire statewide populations. And a sizable majority of the public strongly supports retaining protections for pre-existing conditions.

This is the true legacy of the Republican presidential loss in 2008, and the health-care law that resulted. Few Americans ever understood the stunningly complex means by which ObamaCare screwed up the individual insurance market, or the wider economy. To this day, most Americans haven't intimately interacted with the law, as they receive their health care from an employer or Medicare.

But every American remembers two particular provisions of the law—pre-existing conditions and coverage for children up to 26. These policies are simple and sound good. And they have become over the years a new standard in most people's minds. A February poll from YouGov showed 77% support for protections for consumers with pre-existing conditions.

Principles matter, but so does public will. Conservatives will argue their side just needs to do a better job explaining how these mandates drive up costs for everyone, or lower the quality of care. These are valid points, but they'll count for little in the face of 2018 Democratic campaign ads that flash GOP names next to a graphic of a kid in a wheelchair with cancer who can't

get care. Republicans lost this argument nearly a decade ago, when Mr. Obama won. More than 90% of Senate Republicans understand this.

Which is another way of saying that protections for pre-existing conditions are here to stay, and conservatives face a choice. They can work with their colleagues to minimize the costs of the mandates (there are innovative ways to do this) and build in different free-market reforms to lower premiums. The Congressional Budget Office estimates that the current Senate bill will reduce premiums by about 30%, and the GOP can and should build on this.

Or they can kill the bill, and get no premium reductions at all, no deficit reduction, no Medicaid reform, no tax cuts, and no economic boost. Oh, and the protections for pre-existing conditions would remain. Plus, electoral disaster would loom.

It's a binary choice, rooted in blunt political reality, which ought to make it an easy call. The question is whether conservatives will be savvy enough to forge a face-saving compromise and seek victories elsewhere in the bill. The health-care debate has changed over the past decade, and Republicans can't reverse it on a dime. But they can pass a bill that starts the walk back to freer health-care markets.

THE WALL STREET JOURNAL

Editorial : The ObamaCare Waiver Breakthrough

Senate conservatives wish the health-care bill was more ambitious on deregulation, and so do we, though the benefits of its state waiver feature are underappreciated and worth more

explanation. This booster shot of federalism could become the greatest devolution of federal power to the states in the modern era.

One of ObamaCare's most destructive legacies is a vast expansion of federal control over

insurance and medicine—industries that did not exactly lack supervision before 2010. This included annexing powers that traditionally belonged to states. The Obama Administration then used regulation to standardize insurers as public

utilities and accelerate a wave of provider consolidation that has created hospital and physician oligopolies across the country.

Once in command, the federal government rarely eases off or returns control, but the Senate bill

does. The Affordable Care Act included a process in which states could apply for permission to be exempted from some rules, but conditions are so onerous that these 1332 waivers have been mostly notional. The Senate Republican draft bill makes this process quicker, more flexible and broader, which could launch a burst of state innovation.

The Senate bill is broader than the House's Meadows-MacArthur waivers that only apply to a few so-called Title I regulations. Creative Governors could use the 1332 exemptions to explore a wider variety of reforms to repair their individual insurance markets, lower premiums and increase access to care.

Introducing many competing health-care models across the country would be healthy. California and South Carolina don't—and

shouldn't—have to follow one uniform prototype designed in Washington, and even a state as large as California doesn't have the same needs from region to region.

If nothing else the repeal and replace debate has shown that liberals, conservatives and centrists have different health-care priorities, and allowing different approaches and experimentation would be politically therapeutic. The more innovative can become examples to those that stay heavily regulated.

Some conservatives in the Senate and the House are despondent because neither bill repeals the federal rules related to pre-existing conditions known as guaranteed issue and community rating. They're right that these mandates are destructive. Community rating, which limits how much premiums can vary among people with different health status and risks,

tends to blow up insurance markets, as ObamaCare is now showing.

But at least for now, conservatives have lost this political debate. There's no Senate majority for catching the pre-existing conditions grenade, Governors aren't hot on the idea either, and even insurers don't want to return to the days of medical underwriting.

The Senate bet is that the 1332 waivers can help create enough of a recovery in insurance markets to overcome the distortions of these rules and bring down rates. The bill also relaxes ObamaCare's age bands to a 5 to 1 ratio from a 3 to 1 ratio, meaning insurance for the oldest beneficiaries can be priced five times as high as for the youngest. Since age is a proxy for health risks and expenses, and a 5 to 1 ratio is close to the true actuarial cost of care, the policy result in practice is a wash.

The other objection to the waivers is that leaving ObamaCare regulations in law creates the risk that a future Democratic President could revoke the 1332 waivers to restore the ObamaCare status quo. But the bill includes a provision that legally bars the Health and Human Services Secretary from cancelling an approved waiver for eight years, and they can be automatically renewed. A Democratic Congress could change the law, but then a new Congress always can, and in any case successful state projects will be hard to overturn.

ObamaCare's failures have created an appetite for new alternatives. If Senate Republicans can get to 50 votes, they'll unleash the states to build post-ObamaCare options.

The New York Times Projected Drop in Medicaid Spending Heightens Hurdle for G.O.P. Health Bill (UNE)

Robert Pear and Thomas Kaplan

WASHINGTON — Projected Medicaid spending under a Senate Republican bill to repeal the Affordable Care Act would be 35 percent lower after two decades, the Congressional Budget Office said on Thursday in a new report, which detailed how Medicaid changes would cut more deeply as they go fully into force.

The budget office analysis created a fresh challenge for Republican leaders as they tried to muster support for their bill, even as senators scattered to their home states for a 10-day July 4 recess. The Senate majority leader, Mitch McConnell of Kentucky, entertained a stream of senators on Thursday, trying to reach agreement on the contents of a revised bill.

But by the end of Thursday, Mr. McConnell's caucus still appeared far from a consensus, and it was unclear when a new version of the bill would be ready.

The nonpartisan budget office had already said that the bill would cut projected Medicaid spending 26 percent in 2026. "A large gap would grow between Medicaid spending under current law and under this bill," the new report said, and that gap would widen, so that federal Medicaid spending in 2036 would be more than a third lower under the bill than under the Affordable Care Act.

"That is going to cause a lot of harm, and that's one of my biggest concerns about the bill," Senator

Susan Collins, Republican of Maine and a crucial holdout on the bill, told CNN after the release.

For Republican leaders who say Medicaid spending is unsustainable, the findings might be seen as evidence that their policies would work. They want to put annual caps on Medicaid spending and roll back the expansion of the program, which has extended coverage to millions of people in 31 states.

But for Republican senators from some of those states, including Nevada, Ohio and West Virginia, the pain of those cuts may prove politically untenable.

Hoping to revive their repeal bill, Senate Republicans said on Thursday that they were seriously considering proposals to keep one of the law's taxes on high-income people while providing more money to combat the opioid epidemic and a new incentive for people to establish tax-free savings accounts for medical expenses. Ms. Collins said Republican leaders and Trump administration officials had agreed to \$45 billion for an opioid treatment fund.

Republicans also said they were considering a proposal that would allow insurers to sell cheaper, less comprehensive health plans if they also offered at least one plan that complied with consumer protection standards like those in the Affordable Care Act.

The talk of leaving in place a tax on investment income was a big break

from the House-passed health bill and from the Senate's approach.

"It's not equitable to have a situation where you're increasing the burden on lower-income citizens and lessening the burden on wealthy citizens," said Senator Bob Corker, Republican of Tennessee. "That's not a proposition that is sustainable, and I think leadership knows that."

But for every concession made to one senator, another senator seemed to balk.

"We pledged that we would repeal Obamacare. I don't remember anybody going around saying, 'Oh, except for these job-killing tax increases,'" Senator Patrick J. Toomey, Republican of Pennsylvania, said of the talk of leaving the investment tax increase in place. "So I expect that we'll be repealing all of the taxes in Obamacare."

The negotiations themselves are attracting controversy, and personal strains are showing.

Mr. McConnell dressed down Senator Rob Portman, Republican of Ohio, this week over his resistance to Medicaid cuts. Senate Republicans bristled after an outside group tied to Mr. Trump went after one of their own for opposing the bill, Senator Dean Heller of Nevada. Adding to the insult, one of the top officials of that group, Nick Ayers, was named Vice President Mike Pence's chief of staff on Thursday — after the blowup.

Democrats are also angry. For seven years, Republicans have denounced what they call corrupt deals made by Senate Democrats to buy votes for passage of President Barack Obama's health care bill.

The frantic wheeling and dealing among Republican senators on Thursday had more than a faint resemblance to the negotiations that led to adoption of the health care law in 2010.

"The slush fund is open," said Senator Ron Wyden of Oregon, the senior Democrat on the Finance Committee, referring to about \$200 billion that could be available for deals in the Senate repeal bill. "Applicants can queue up and have a good chance of being treated favorably if they are from the right political party."

Mr. McConnell briefed senators on Thursday about possible changes in the repeal bill, but the broad agreement he had hoped for appeared elusive. He scrapped plans for a vote on the bill this week after he met broad resistance from Republican senators across the ideological spectrum.

Republicans were talking publicly on Thursday about keeping a tax on capital gains and other investment income, imposed by the Affordable Care Act on individuals with annual incomes exceeding \$200,000 and couples making more than \$250,000.

Mr. McConnell's bill would repeal that tax, like most other taxes in Mr.

Obama's health care law. The Congressional Budget Office said that repealing the investment tax, retroactive to the start of this year, would cost the government \$172 billion in lost revenue from 2017 to 2026.

Ms. Collins said, "I do not see a justification for doing away with the 3.8 percent tax" on certain investment income. She said the investment tax differed from other taxes in the Affordable Care Act, like an excise tax on medical devices, because those taxes can increase costs for consumers. "I distinguish between those tax increases that were part of Obamacare that increase premiums and the cost of health care versus those that don't," she said.

Mr. Corker said that the initial Senate bill would leave health care out of reach for many lower-income people and that keeping the tax on investment income would provide

revenue that could be used to address that issue. The Congressional Budget Office said the bill could increase costs for low-income people to the point that "few low-income people would purchase any plan," even with financial assistance from the government.

The money for drug abuse treatment — \$45 billion over 10 years — was meant to woo wavering Republicans from states hard hit by the opioid epidemic, including Mr. Portman and Senator Shelley Moore Capito of West Virginia.

But Senator Maggie Hassan, Democrat of New Hampshire, another state hit by the opioid crisis, said the additional money was "a drop in the bucket that would not come close to making up for the damage" that could be done by the bill's cuts in Medicaid.

The Congressional Budget Office said that over 10 years, Mr. McConnell's bill would cut more than \$770 billion from projected spending under Medicaid, a program that pays for a large share of substance abuse treatment and prevention costs in many states.

Another proposal, championed by some conservatives, would allow people to use money in health savings accounts to pay premiums for insurance policies, not just medical expenses.

Christopher E. Condeluci, a former tax and benefits counsel at the Senate Finance Committee, said the change would make health savings accounts more attractive to people who could afford to put money into them. Such savings accounts have become more important, he said, as more Americans have high-deductible health plans, which require them to

pay a larger share of their medical costs.

Senate Republicans are also considering a plan from Senator Ted Cruz, Republican of Texas, intended to create lower-cost insurance options. Under the proposal, if an insurer offered at least one plan that met certain federal requirements, offering benefits like maternity care and mental health services, it could also sell insurance policies that did not meet those standards.

Mr. Cruz says the proposal would allow consumers to buy policies they desire and can afford. But insurance experts see a risk that healthy people might sign up for the low-cost, less comprehensive policies, leaving sicker people in the more expensive plans. Republicans said there were ways to minimize that risk.



GOP health-care talks center on stark question: Help vulnerable Americans or help the rich? (UNE)

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

Republican negotiations over how to overhaul the Affordable Care Act centered sharply Thursday on a divisive and ideological question: How much money should the Senate health-care bill spend on protecting vulnerable Americans, and how much on providing tax relief to the wealthy?

Senate Majority Leader Mitch McConnell (R-Ky.), in an effort to strike a balance between centrists and conservatives, is making concessions to both factions of his caucus, according to lawmakers and aides.

McConnell is rewriting his proposal to provide tens of billions more for opioid addiction treatment and assistance to low- and moderate-income Americans, in part with a major policy shift that has already alarmed conservatives who oppose it — potentially preserving a 3.8 percent tax on investment income provided under the ACA that the current draft of the Senate bill would repeal.

At the same time, the Republican leader hopes to placate the right by further easing the existing law's insurance mandates and allowing higher tax deductions through expanded health savings accounts, several Republicans said.

By Thursday afternoon, Senate leaders had agreed to dedicate \$45 billion to opioid funding, according to GOP aides — a concession that Sens. Rob Portman

(R-Ohio) and Shelley Moore Capito (R-W.Va.) had been seeking for weeks. The draft released last week included only \$2 billion.

It remains unclear whether these changes, if adopted, would garner enough support for the bill to pass. But they may represent the most viable path forward if Republicans want to rewrite the 2010 health law known as Obamacare without any help from Democrats.

"We will, it appears to me, address the issue of ensuring that lower-income citizens are in a position to be able to buy plans that actually provide them appropriate health care," said Sen. Bob Corker (R-Tenn.). "And with that, my sense is that the 3.8 percent repeal [in the current draft] will go away."

On Friday, Trump added to the confusion by suggesting that GOP senators switch gears and seek to immediately repeal Obamacare if the impasse for the new health care plan cannot be broken.

The tweet by Trump was his first public statement since taking office in favor of bringing down Obamacare with no replacement system in place — a move that could send the U.S. health care system into deep turmoil.

"If Republican Senators are unable to pass what they are working on now, they should immediately REPEAL, and then REPLACE at a later date!" Trump wrote.

Trump call also at odds with the fallback plan McConnell has

threatened should the current effort collapse — which is to work with Democrats.

"Either Republicans will agree and change the status quo; or markets will continue to collapse and we'll have to sit down with Sen. Schumer," he said after a meeting with Trump on Tuesday, referring to the top Senate Democrat.

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)

But at least one GOP senator quickly lauded Trump.

Sen. Rand Paul (R-Ky.), who has advocated a repeal-first approach if GOP senators cannot reach agreement on their current plan, retweeted the president Friday morning. Later, he fired off a second tweet saying he had spoken to Trump and Senate GOP leadership "about this and agree. Let's keep our word to repeal then work on replacing right away."

Asked for the majority leader's response to Trump's tweet, a McConnell spokeswoman said she

didn't have any new announcements.

In a sign of the sharp disagreements that continue to plague Senate Republicans, Sen. Patrick J. Toomey (R-Pa.) disputed Corker's notion that the tax cut would be jettisoned, calling the proposal a "very bad idea."

"I'm not at all convinced that that's where it's going," Toomey said.

The 3.8 percent tax applies only to individuals making more than \$200,000 a year and married couples earning more than \$250,000. Repealing it as of Dec. 31, 2016, as the bill does now, would cost the federal government \$172 billion in revenue over the next 10 years, according to a recent analysis by the nonpartisan Congressional Budget Office.

The effort was complicated by the release of a new CBO estimate that showed significantly deeper reductions in Medicaid spending after the proposed legislation's second decade than at the end of its first decade. The new analysis specifically looked at the legislation's effect in its second decade, adding to an analysis of the first decade released at the start of the week and showing that 22 million fewer Americans would be covered by 2026.

By 2036, the new analysis said, the government would spend 35 percent less on Medicaid than under the current law, compared with a 26 percent decrease in the first decade.

The updated Medicaid estimate from the CBO, showing how spending would shrink over the next 20 years, underscored the extent to which McConnell's plan would squeeze the long-standing public insurance program.

The current draft already cuts \$772 billion over 10 years from Medicaid, which covers poor and disabled Americans as well as the elderly, children and pregnant women.

The updated analysis, requested by Sen. Ron Wyden (D-Ore.) and other Senate Democrats, calculated the effects of pegging the program's inflation rate to the consumer price index for urban consumers, as opposed to the current practice of following the medical inflation rate.

According to analysts at the health consulting firm Avalere and the Committee for a Responsible Federal Budget, this would translate into a cut of at least \$330 billion in 2036.

The report suggested that as the spigot of federal funding constricted over time, "there would be increasing pressure on more states" to cut costs or commit more of their own money to serve their Medicaid populations.

Sen. Chris Van Hollen (D-Md.) said in an interview that the CBO score makes it harder for Republicans to say that the legislation would improve coverage decades into the future.

"In many ways the bill was deceptively structured to try to hide this long-term effect in the traditional CBO analysis," Van Hollen said. "Republicans are decimating the program by more than one-third, and it gets progressively worse."

McConnell spokeswoman Antonia Ferrier dismissed the long-term forecast as speculative.

"CBO says the 20-year predictions are almost impossible," she said in an email. "But they have confirmed the increased spending in Medicaid (rather than cuts)

over the next ten years."

With senators leaving town Thursday for a 10-day break over the July Fourth holiday, Republicans are not likely to reach an agreement until after their return next month. That would give time for the CBO to analyze the new proposals and for senators to hear from constituents, setting up a few more days of haggling when they return July 10 and a possible vote the week after that.

Corker, who met with GOP leaders Wednesday, said he believes "the route being pursued" is to preserve the tax and use that money to provide subsidies for lower-income people.

He added that he voiced directly to President Trump his unease with the idea of slashing taxes for the wealthy while "increasing the burden" on lower-income Americans.

Minutes later, Senate Majority Whip John Cornyn (R-Tex.) acknowledged that keeping the tax was being discussed, but he underscored that no final decision had been made.

[If these two Republicans can't agree, the Senate can't pass its health-care bill]

Sen. Tim Scott (R-S.C.) said that while he thought it was a bad idea to use the investment tax to help fund the ACA's existing programs, lawmakers may need to keep the tax. Scott said there is clear pressure from at least three senators to preserve it, and their votes are critical to passing the bill.

"Keeping it now is a whole new conversation," Scott said. "particularly when you have three senators already heading in that direction."

The dispute underscores the challenge Senate leaders face as they reexamine the tax portion of their Better Care Reconciliation Act. One bit of wiggle room in their negotiations is the CBO's analysis of the bill's effect on the federal deficit, which allows them to spend

as much as \$198 billion without violating Senate budget rules.

The draft bill that stalled this week would also repeal or delay \$541 billion in taxes, primarily on wealthy Americans and insurers. While the cuts in Medicaid help offset these cuts, the idea of making them while easing the tax burden of corporations and the better-off has made some centrists uncomfortable.

The measure eliminates every tax imposed under the ACA except the "Cadillac" tax on employers offering generous health plans. That tax is suspended until 2026 to comply with congressional budget rules.

With Vice President Pence prepared to cast the tiebreaking vote, Republicans need the support of all but two of their 52 senators. In the Capitol on Thursday, Pence said that he and others were "working hard" to change minds on the bill.

Cornyn said leaders would "hopefully" send a revised version of the bill to the CBO on Friday, but he was not certain it would happen.

[How the Senate's rapid push to rewrite Obamacare fell apart]

Meanwhile, according to lobbyists briefed on the matter, negotiators are looking at how to provide states with more ways to opt out of the ACA's insurance mandates — a key demand of conservatives. These rules include an essential-benefits package that any ACA-compliant plan must offer, such as maternity and newborn care as well as preventive care and mental-health and substance-use treatment.

Sens. Ted Cruz (R-Tex.) and Mike Lee (R-Utah) have indicated they could support the bill if leadership tacked on an amendment, offered by Cruz, allowing insurers to opt out of all ACA insurance requirements as long as they provide one fully compliant plan.

Your daily guide to where Wall Street meets Washington.

A growing number of senators have said they back the Cruz proposal, but leaders met Thursday to determine whether it would run afoul of Senate rules. McConnell is using the budget process to pass the health bill with a slim majority of 51 votes, rather than the 60 votes needed for most other legislation. But that also restricts the legislation to policies that have an impact on taxes, spending and the deficit.

Lee spokesman Conn Carroll said he also wants a provision to ensure the executive branch can't single-handedly block states from revamping their ACA marketplaces. The current measure makes it much easier for states to use an existing federal waiver system, under Section 1332 of the law, to make changes as long as they are approved by the Centers for Medicare and Medicaid Services (CMS).

While the Senate bill gives states wide latitude to alter the marketplaces through this system, it would preserve a requirement that CMS has to determine that the changes would not increase the federal deficit. Lee wants an independent agency to make that determination, but Carroll said that if leadership added the Cruz amendment, "I think that would be enough for us" to back the bill.

The main tax change conservatives are now seeking — allowing people to put more money into health savings accounts — would also benefit wealthier Americans. Families earning over \$60,000 made up nearly 65 percent of the total that contributed to HSAs in 2014, according to recent data from the Treasury Department. Nearly two-thirds of those people earned between \$75,000 and \$200,000.

Paige Winfield Cunningham, Amy Goldstein and Mike DeBonis contributed to this report.

the Atlantic The Logic of Trump's Sexist Attack on Mika Brzezinski

Peter Beinart

On Thursday, Donald Trump tweeted that MSNBC's Mika Brzezinski had been "bleeding badly from a face-lift" when she visited Mar-a-Lago last December. On Tuesday, in the Oval Office, he interrupted a phone call with the Irish prime minister to call over a female Irish journalist, Caitriona Perry, while referring to her "nice smile" and "this beautiful Irish press."

The incidents are two sides of the same coin. Two decades ago, a pair of social psychologists, Susan Fiske and Peter Glick, distinguished between what they called "hostile" and "benevolent" sexism. Hostile sexism manifests itself in derogatory or threatening comments about a woman's appearance, capacities, or behavior. Benevolent sexism, by contrast, manifests itself in praise or chivalry that nonetheless reaffirms a

woman's subordinate status. Telling your female coworker that she's ugly is an expression of hostile sexism. Telling your female coworker that she's pretty is an expression of benevolent sexism. Sexually assaulting a female colleague is an expression of hostile sexism. Suggesting that a female colleague needs help carrying her bags is an expression of benevolent sexism. Hostile sexism may be more antagonistic and aggressive

but benevolent sexism also conveys the message that women should be valued for their appearance, and that they are not equal to men.

The more a woman conforms to traditional gender norms, the more likely she is to experience benevolent sexism. The more she threatens them, the more likely she is to experience hostile sexism. Take sexual harassment, a particularly violent form of hostile sexism. According to the University

of British Columbia's Jennifer Berdahl, the best predictor of whether a woman will be sexually harassed is whether she is considered "uppity." The women most vulnerable to sexual harassment are those "with relatively masculine personalities (e.g., assertive, dominant, and independent)" and those who perform jobs traditionally done by men.

Hostile and benevolent sexism, in other words, are different expressions of male power. As Julia C. Becker and Stephen Wright explain, they are "complementary tools of control, the stick and the carrot, that motivate women to accept a sexist system."

Trump's behavior towards Brzezinski and Perry fits this theory perfectly. He insulted Brzezinski's appearance (hostile sexism) but praised Perry's (benevolent sexism). Why? Because Brzezinski posed a threat. His attack came moments after she had finished lampooning his fake *Time* cover on the air. Perry, by contrast, had not challenged Trump. She had been standing in his office while he conducted a feel-good conversation with the Irish prime minister. To use Berdahl's language, she had done nothing that Trump might construe as "assertive, dominant," or "independent."

One can see a similar pattern in Trump's previous sexist comments: When women challenge him

politically, he often insults them physically. In August 2015, after Megyn Kelly asked him a tough question at a GOP debate, Trump said "You could see there was blood coming out of her eyes, blood coming out of her wherever" and later called her a "bimbo." In September 2015, while Carly Fiorina was rising in the polls, he exclaimed, "Look at that face! Can you imagine that, the face of our next president?" In July 2016, while Elizabeth Warren was savaging him on the campaign trail, he told a rally: "You find anything nice about her cheekbones? I dunno. So, look at her cheekbones." After his second debate with Hillary Clinton, he said she had "walked in front of me. Believe me, I wasn't impressed." That same month, when journalist Natasha Stoenoff accused Trump of having harassed her in 2005, he responded, "Take a look, you take a look, look at her, look at her words—you tell me what you think. I don't think so."

By contrast, when Trump finds women non-threatening, he often responds with benevolent sexism. He delighted in walking through the beauty pageants he owned—where the young contestants were entirely beholden to him—commenting on how gorgeous they were. He even repeatedly praised the beauty of his own daughter.

Viscerally, Trump likely understands what the research shows: that focusing people's attention on a

woman's appearance makes them value her abilities less. For a 2009 study in the *Journal of Experimental Social Psychology*, Nathan Heflick and Jamie Goldenberg asked one group of college students to write about Sarah Palin's appearance and another to write about her "human essence." Then both groups were asked a series of questions about her. The students who had written about her appearance rated her as less competent. In a different study, participants told to focus on Michelle Obama's looks deemed her less competent, too.

What Trump may not grasp is the different effects benevolent and hostile sexism have on the women who experience them. Jennifer Bosson, a professor of psychology at the University of South Florida, told me that, "benevolent sexism reminds women of male protection and of the benefits of being pretty. It can leave women immobilized." Hostile sexism, by contrast, "pisses women off. They get motivated to fight back." As Becker and Wright put it, "benevolent sexism undermines, whereas hostile sexism promotes social change."

Hostile sexism seems to motivate women even when they merely observe it happening to others. A 2010 study by Stephenie Chaudoir and Diane Quinn of the University of Connecticut found that merely hearing a man speak in demeaning sexual terms to another woman

made female college students "feel greater anger and motivation to take direct action toward men."

There's some evidence that Trump's hostile sexism, as evidenced most infamously in the *Access Hollywood* tape released last October, has had exactly that result. A post-election study found that people who were more angered by Trump's comments about women were more likely to take political action to oppose him. This January's women's march in Washington was the largest in American history.

That's the good news. The bad news is that while women often initially react to hostile sexism with outrage and a desire to reassert their dignity, the effects of persistent hostile sexism can be debilitating. A 1993 study by the University of Illinois's Louise Fitzgerald found that women who suffer ongoing sexual harassment or disparagement "experience lower morale and job satisfaction and increased absenteeism, anger, anxiety, depression, and physical illness symptoms."

Could something similar happen to American women writ large? Could they too move from indignation to demoralization as Trump again and again sexualizes and demeans his female critics? It's an experiment Trump seems determined to conduct.

The Washington Post

'It is really not normal': Both sides condemn Trump for vulgar tweet about TV host (UNE)

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

The first tweet contained the typical name-calling fare from President Trump, the kind of attacks that no longer surprise most people — labeling MSNBC's "Morning Joe" as "poorly rated" and calling its hosts "low I.Q. Crazy Mika" and "Psycho Joe."

But the second tweet, landing about six minutes later, caused an immediate and sustained uproar, as it contained a deeply personal and vulgar attack on Mika Brzezinski.

"She was bleeding badly from a face-lift," the president tweeted Thursday morning, claiming that months earlier, Brzezinski and co-host Joe Scarborough tried to spend time with him at his private club in Florida. "I said no!"

Those words amounted to perhaps the most caustic insult that Trump has publicly hurled at another American since taking office, going

beyond his usual name-calling and flame-throwing. More than three dozen Republicans and Democrats in Congress issued tweets of their own expressing disgust, calling the remark "unpresidential," "vile, sexist and unbecoming of an American leader," "divisive," "unhinged and shameful" and "amazingly graceless." Even some of the president's close allies warned that he needed to act like a president and stop getting into distracting fights.

And by going after a powerful female journalist's appearance and mental health, Trump not only distracted the country from his legislative agenda for a full news cycle, but also added yet another data point to the argument that he treats women differently from men.

White House principal deputy press secretary Sarah Huckabee Sanders on June 29 defended President Trump's tweets insulting MSNBC host Mika Brzezinski. White House principal deputy press secretary

Sarah Huckabee Sanders on June 29 defended President Trump's tweets insulting MSNBC host Mika Brzezinski. (Reuters)

(Reuters)

"It is really not normal that the president of the United States and the commander in chief would be tweeting about somebody's face," said Liz Mair, a longtime Republican strategist and critic of the president. "It does not conform with the norms that we expect and we treat as pretty set in stone in this country, but it's also just strange."

[Trump's Mika tweet underscores a dark reality: For him, it's always about gender]

Trump's staff quickly came to his defense, saying that Brzezinski and Scarborough have said far worse things about the president and his staff.

"Look, I don't think you can expect someone to be personally attacked day after day, minute by minute,

and sit back," deputy press secretary Sarah Huckabee Sanders told reporters at the White House. "Look, the American people elected a fighter. ... They knew what they were getting when they voted for Donald Trump."

Trump once had a chummy relationship with "Morning Joe," regularly calling in for lengthy interviews, referring to Brzezinski and Scarborough as "supporters" and offering to officiate at their wedding. But the hosts have become increasingly critical. For months, Brzezinski has raised questions about the president's psychological health, calling him "possibly unfit mentally" and saying that he is "such a narcissist, it's possible that he is mentally ill in a way."

On Thursday morning, Brzezinski said that if someone took over NBC and acted as Trump has — "tweeting wildly about people's appearances, bullying people, talking about people in the

competition, lying every day, undermining his managers" — that "there would be concern that perhaps the person who runs the company is out of his mind."

Sanders pointed to such rhetoric in her defense of Trump. "The things that this show has called him — and not just him, but numerous members of his staff, including myself and many others," Sanders said. "It's kind of like we're living in the Twilight Zone. They do this day after day after day, and then the president responds and defends himself, and everybody is appalled and blown away."

[‘Mr. President, please grow up.’ Lawmakers slam Trump’s shocking Mika Brzezinski tweets]

Later in the day, Sanders’s father, former Arkansas governor Mike Huckabee, said in a Fox News Channel interview that the president "makes my daughter’s job very difficult with tweets like that."

Less than half an hour after Trump fired off the tweet, Brzezinski responded by tweeting a photo of a Cheerios cereal box including the caption: "Made for Little Hands." The message seemed to be aimed at mocking the size of the president’s hands — a sensitive topic for Trump that has dogged him for decades and even came up during a GOP presidential debate.

Mark Kornblau, the NBCUniversal News Group’s senior vice president for communications, tweeted: "Never imagined a day when I would think to myself, 'it is beneath my dignity to respond to the President of the United States.'" The company later released a statement saying: "It’s a sad day for America when the president spends his time bullying, lying and spewing petty personal attacks instead of doing his job."

The tweet marked a new low in presidential history, said Douglas Brinkley, a presidential historian at Rice University.

"We make a big deal that Harry Truman told off a newspaper critic

for writing a bad review of his daughter’s music concert," he said. "How G-rated is that compared to what Donald Trump has done?"

Dozens of lawmakers from both parties, activists, political pundits and others rushed to condemn the president’s comments. Sen. Susan Collins (R-Maine) tweeted: "This has to stop — we all have a job — 3 branches of gov’t and media. We don’t have to get along, but we must show respect and civility."

The tweets also came up in news conferences and interviews on Capitol Hill, where most lawmakers would have much rather discussed immigration and health-care legislation.

"Obviously, I don’t see that as an appropriate comment," House Speaker Paul D. Ryan (R-Wis.) said during a news conference. "What we’re trying to do around here is improve the civility and tone of the debate, and this obviously does not do that."

Nicole Wallace, an MSNBC host who was George W. Bush’s communications chief, used her Thursday afternoon show to urge women working in the White House to "go on the record and condemn your boss’s comments." She challenged the women who are defending Trump and asked how mothers can raise their sons to be "good men if the most powerful man in the world gets away with this."

"As someone who once proudly called myself a Republican, the party will be permanently associated with misogyny if leaders don’t step up and demand a retraction," Wallace said.

Laura Ingraham, the conservative commentator who has considered working in Trump’s administration, tweeted: "MESSAGE DISCIPLINE!" She added that the White House should have spent Thursday focused on two immigration-related bills that passed in the House and "not cable TV hosts."

Bill O’Reilly, a former Fox News personality and a longtime friend of Trump, said on Ingraham’s radio

show that the president is undermining his own message. "It’s kind of discouraging for Americans who want important things to get done to be sidetracked by something like this," he said.

[How Trump’s relationship with ‘Morning Joe’ went downhill]

The president claimed in his tweets that Brzezinski and Scarborough tried to spend time with him at his Mar-a-Lago resort in Palm Beach, Fla., over three days around New Year’s Eve. The two were spotted by journalists at Trump’s New Year’s Eve party at the private club, and Scarborough said at the time that they were there to set up an interview with the president-elect. A routine-looking photo of Brzezinski from that night circulated on Twitter on Thursday showing her smiling broadly.

The president’s tweet was reminiscent of other comments that he made about women on the campaign trail — including his rival, Democratic nominee Hillary Clinton, whom he accused of not looking presidential and lacking the "stamina" needed for the job. He made fun of GOP rival Carly Fiorina’s face; tweeted a side-by-side comparison of his wife and the wife of then-rival Sen. Ted Cruz (R-Tex.); and lashed out at Megyn Kelly of Fox News, saying that she had "blood coming out of her whatever" as she questioned him about comments he had made about women during a debate. Since becoming president, Trump has also continued to call Sen. Elizabeth Warren (D-Mass.) "Pocahontas" in mocking a controversy over her ancestry.

Although Trump has boasted about the level of support he has received from female voters, he is much more popular among men. Many of the protests during his presidency have been led by women, including hundreds of thousands who rallied in cities around the world the day after his inauguration for the Women’s March.

For Republicans who opposed Trump during the campaign, the

episode has felt like a sickening moment of "I told you so," Mair said.

"Personally, that’s a pretty demoralizing feeling," Mair said. "A lot of people hoped that things would be different once he got into the office, but the guy’s been on this earth for seven decades. You can’t really change his behavior after all that."

As of Thursday evening, Trump’s wife and daughters had not publicly reacted.

Stephanie Grisham, a spokeswoman for the first lady, referred reporters to comments that Melania Trump made on the campaign trail about her husband needing to defend himself. At an April 2016 rally in Milwaukee, she said: "When you attack him, he will punch back 10 times harder. No matter who you are, a man or a woman, he treats everyone equal."

Breaking news about local government in D.C., Md., Va.

Scottie Nell Hughes was among the few female defenders to appear on national television in October after The Washington Post unearthed an "Access Hollywood" video that featured Donald Trump bragging about groping women without their permission. Hughes said Thursday that it is "definitely a struggle" for his supporters to defend him in such cases.

"I personally would never attack a woman and her looks, and I don’t like that at all," said Hughes, who is now the spokeswoman for a pro-Trump political action committee, the Committee to Defend the President. "But America wanted a fighter, and that’s why we elected him, he’s fighting back — not exactly how I would choose to do it, but he’s defending himself."

Paul Farhi contributed to this report.

For a video, go to wapo.st/trumpattack

**The
Washington
Post**

Editorial : Trump clearly won’t change. Here’s what the rest of us can do.

AFTER HIS latest execrable tweets, it’s obvious that there is no point in urging President Trump to act with greater dignity, respect for his office or, for that matter, self-respect. It isn’t going to happen. That makes it all the more urgent for the rest of us to think about how to safeguard civility and democratic values until his presidency ends.

It would be wrong to say that Mr. Trump’s attacks on Mika Brzezinski and Joe Scarborough Thursday were shocking, because his boorishness no longer can shock. But the hateful insults directed at the MSNBC co-hosts (and, in Mr. Scarborough’s case, Post columnist) did seem to take the capital city’s collective breath away. "Please just stop," Republican Sen.

Ben Sasse (Neb.) tweeted in response. "This isn’t normal and it’s beneath the dignity of your office." Many others chimed in, urging Mr. Trump to apologize, to stop tweeting or even (in a moment of extreme wishful thinking) to resign.

Yes, Mr. Trump should apologize, he should stop tweeting insults, he should respect the awesome history

of his office. Similarly, he should stop attacking the news media, which plays an important role in American democracy. He should take questions from the press more often, and he should answer truthfully. He should show more respect for women. He should, in short, act presidential, and he should continue to be urged to do so, not only by editorial pages but

also by other leaders, especially in his own party, and by people in his administration.

Most popular stories, in your inbox daily.

But assuming he remains immune to such importuning, what can the rest of us do? We've given this some thought in the context of international relations, because the world had become accustomed to looking to the United States as a defender of democracy, human rights and liberal values. Admittedly the nation has played this role

imperfectly, with dollops of hypocrisy and inconsistency along the way. But from World War II until now, the United States had not been led by anyone espousing selfishness as a lodestar. And that has made it crucial for others to fill the gap — crucial for Congress, civil society and citizens across the nation to stand up for freedom and for the United States remaining a beacon of freedom across the globe.

We'd say the same now about plain old courtesy and decorum. It may be beyond the power of any other

politician to change Mr. Trump's behavior. But all of us can model a different way of acting and interacting.

The Fix's Callum Borchers explains the years-long feud between President Trump and the hosts of MSNBC's "Morning Joe." Trump's long feud with Joe Scarborough and Mika Brzezinski, explained. (Peter Stevenson/The Washington Post)

(Peter Stevenson/The Washington Post)

What gives us hope is the conviction that the American people are better than the misogyny and rudeness we see spewing from the White House. Our politics have always been rough-and-tumble, but most of us don't want to see this kind of ugliness become the dominant trait. We should all be focused on preserving a little flame of decency so that, whenever the Trump era ends, that flame can be rekindled into the kind of discourse that would make the country proud again.

**The
Washington
Post**

Brzezinski and Scarborough: Donald Trump is not well

By Mika Brzezinski and Joe Scarborough

President Trump launched personal attacks against us Thursday, but our concerns about his unmoored behavior go far beyond the personal. America's leaders and allies are asking themselves yet again whether this man is fit to be president. We have our doubts, but we are both certain that the man is not mentally equipped to continue watching our show, "Morning Joe."

The president's unhealthy obsession with our show has been in the public record for months, and we are seldom surprised by his posting nasty tweets about us. During the campaign, the Republican nominee called Mika "neurotic" and promised to attack us personally after the campaign ended. This year, top White House staff members warned that the National Enquirer was planning to publish a negative article about us unless we begged the president to have the story spiked. We ignored their desperate pleas.

The Fix's Callum Borchers explains the years-long feud between President Trump and the hosts of MSNBC's "Morning Joe." Trump's long feud with Joe Scarborough and Mika Brzezinski, explained. (Peter Stevenson/The Washington Post)

(Peter Stevenson/The Washington Post)

The president's unhealthy obsession with "Morning Joe" does

not serve the best interests of either his mental state or the country he runs. Despite his constant claims that he no longer watches the show, the president's closest advisers tell us otherwise. That is unfortunate. We believe it would be better for America and the rest of the world if he would keep his 60-inch-plus flat-screen TV tuned to "Fox & Friends."

Today's Headlines newsletter

The day's most important stories.

For those lucky enough to miss Thursday's West Wing temper tantrum, the president continued a year-long habit of lashing out at "Morning Joe" while claiming to never watch it. During his early-morning tirade, Mr. Trump spit out schoolyard insults about "low I.Q. Crazy Mika," "Psycho Joe" and much worse. He also fit a flurry of falsehoods in his two-part tweetstorm.

Mr. Trump claims that we asked to join him at Mar-a-Lago three nights in a row. That is false. He also claimed that he refused to see us. That is laughable.

The president-elect invited us both to dinner on Dec. 30. Joe attended because Mika did not want to go. After listening to the president-elect talk about his foreign policy plans, Joe was asked by a disappointed Mr. Trump the next day if Mika could also visit Mar-a-Lago that night. She reluctantly agreed to go.

After we arrived, the president-elect pulled us into his family's living quarters with his wife, Melania, where we had a pleasant conversation. We politely declined his repeated invitations to attend a New Year's Eve party, and we were back in our car within 15 minutes.

Mr. Trump also claims that Mika was "bleeding badly from a face-lift." That is also a lie.

Putting aside Mr. Trump's never-ending obsession with women's blood, Mika and her face were perfectly intact, as pictures from that night reveal. And though it is no one's business, the president's petulant personal attack against yet another woman's looks compels us to report that Mika has never had a face-lift. If she had, it would be evident to anyone watching "Morning Joe" on their high-definition TV. She did have a little skin under her chin tweaked, but this was hardly a state secret. Her mother suggested she do so, and all those around her were aware of this mundane fact.

More significant is Mr. Trump's continued mistreatment of women. It is disturbing that the president of the United States keeps up his unrelenting assault on women. From his menstruation musings about Megyn Kelly, to his fat-shaming treatment of a former Miss Universe, to his braggadocio claims about grabbing women's genitalia, the 45th president is setting the poorest of standards for our children. We were heartened to

hear a number of Republican lawmakers call out Mr. Trump for his offensive words and can only hope that the women who are closest to him will follow their examples. It would be the height of hypocrisy to claim the mantle of women's empowerment while allowing a family member to continue such abusive conduct.

We have known Mr. Trump for more than a decade and have some fond memories of our relationship together. But that hasn't stopped us from criticizing his abhorrent behavior or worrying about his fitness. During the height of the 2016 presidential campaign, Joe often listened to Trump staff members complain about their boss's erratic behavior, including a top campaign official who was as close to the Republican candidate as anyone.

We, too, have noticed a change in his behavior over the past few years. Perhaps that is why we were neither shocked nor insulted by the president's personal attack. The Donald Trump we knew before the campaign was a flawed character but one who still seemed capable of keeping his worst instincts in check.

Mika Brzezinski hosts the MSNBC show "Morning Joe."

Joe Scarborough, a former Republican congressman from Florida, hosts the MSNBC show "Morning Joe."

**The
New York
Times**

Trump Mocks Mika Brzezinski; Says She Was 'Bleeding Badly From a Face-Lift' (UNE)

Glenn Thrush and Maggie Haberman

WASHINGTON — President Trump lashed out Thursday at the appearance and intellect of Mika Brzezinski, a co-host of MSNBC's "Morning Joe," drawing

condemnation from his fellow Republicans and reigniting the controversy over his attitudes toward women that nearly derailed his candidacy last year.

Mr. Trump's invective threatened to further erode his support from

Republican women and independents, both among voters and on Capitol Hill, where he needs negotiating leverage for the stalled Senate health care bill.

The president described Ms. Brzezinski as "low I.Q. Crazy Mika"

and claimed in a series of Twitter posts that she had been "bleeding badly from a face-lift" during a social gathering at Mr. Trump's resort in Florida around New Year's Eve. The White House did not explain what had prompted the outburst, but

a spokeswoman said Ms. Brzezinski deserved a rebuke because of her show's harsh stance on Mr. Trump.

The tweets ended five months of relative silence from the president on the volatile subject of gender, reintroducing a political vulnerability: his history of demeaning women for their age, appearance and mental capacity.

"My first reaction was that this just has to stop, and I was disheartened because I had hoped the personal, ad hominem attacks had been left behind, that we were past that," Senator Susan Collins, a moderate Republican from Maine who is a crucial holdout on the effort to repeal the Affordable Care Act, said in an interview.

"I don't think it directly affects the negotiation on the health care bill, but it is undignified — it's beneath a president of the United States and just so contrary to the way we expect a president to act," she said. "People may say things during a campaign, but it's different when you become a public servant. I don't see it as undermining his ability to negotiate legislation, necessarily, but I see it as embarrassing to our country."

A slew of Republicans echoed her sentiments. Senator Lisa Murkowski of Alaska, who, like Ms. Collins, holds a pivotal and undecided vote on the health care bill, tweeted: "Stop it! The presidential platform should be used for more than bringing people down."

Senator Ben Sasse, a Nebraska Republican who opposed Mr. Trump's nomination during the presidential primaries, also implored him to stop, writing on Twitter that making such comments "isn't normal and it's beneath the dignity of your office."

Senator James Lankford, Republican of Oklahoma, added, "The president's tweets today don't help our political or national discourse and do not provide a positive role model for our national dialogue."

Ms. Brzezinski responded by posting on Twitter a photograph of a box of Cheerios with the words "Made for Little Hands," a reference to a longstanding insult about the size of the president's hands. MSNBC said in a statement, "It's a sad day for America when the

president spends his time bullying, lying and spewing petty personal attacks instead of doing his job."

Mr. Trump's attack injected even more negativity into a capital marinating in partisanship and reminded weary Republicans of a political fact they would rather forget: Mr. Trump has a problem with the half of the population more likely to vote.

Christine Matthews, a Republican pollster who specializes in the views of female voters, said the president's use of Twitter to target a prominent woman was particularly striking, noting that he had used only one derogatory word — "psycho" — to describe the show's other co-host, Joe Scarborough, and the remainder of his limited characters to hit upon damaging stereotypes of women.

"He included dumb, crazy, old, unattractive and desperate," Ms. Matthews said.

"The continued tweeting, the fact that he is so outrageous, so unpresidential, is becoming a huge problem for him," she added. "And it is particularly unhelpful in terms of building relationships with female Republican members of Congress, whose votes he needs for health care, tax reform and infrastructure."

But it was unclear whether the vehemence of the president's latest attack would embolden members of his party to turn disdain into defiance.

Senior Republicans, including Senator Mitch McConnell of Kentucky, the majority leader, cycled through what has become a familiar series of emotions and calculations after the Twitter posts, according to staff members: a flash of anger, reckoning of possible damage and, finally, a determination to push past the controversy to pursue their agenda.

"Obviously, I don't see that as an appropriate comment," the House speaker, Paul D. Ryan, said during a Capitol Hill news conference. Then he told reporters he wanted to talk about something else.

Representative Nancy Pelosi, the House Democratic leader, demanded an apology, calling the president's Twitter posts "sexist, an assault on the freedom of the press and an insult to all women."

A spokeswoman for the president, Sarah Huckabee Sanders, urged the news media to move on, arguing during the daily White House briefing that Mr. Trump was "fighting fire with fire" by attacking a longtime critic.

Ms. Brzezinski had called the president "a liar" and suggested he was "mentally ill," added Ms. Sanders, who defended Mr. Trump's tweets as appropriate for a president.

Melania Trump, the president's wife — who has said that, as first lady, she will embark on a campaign against cyberbullying — also rejected claims that her husband had done what she is charged with undoing.

"As the first lady has stated publicly in the past, when her husband gets attacked, he will punch back 10 times harder," Mrs. Trump's spokeswoman wrote in a statement, referring to the first lady's remarks during the campaign.

Current and former aides say that Mr. Trump was chastened by the furor over the "Access Hollywood" tape that emerged in October, which showed him bragging about forcing himself on women, and that he had exhibited self-restraint during the first few months of his administration. But in the past week, the sense that he had become the victim of a liberal media conspiracy against him loosened those tethers.

Moreover, Mr. Trump's oldest friends say it is difficult for him to distinguish between large and small slights — or to recognize that his office comes with the expectation that he moderate his behavior.

And his fiercest, most savage responses have almost always been to what he has seen on television.

"Morning Joe," once a friendly bastion on left-leaning MSNBC, has become a forum for fiery criticism of Mr. Trump. One adviser to the president accused the hosts of trying to "destroy" the administration over several months.

After lashing out at Mr. Scarborough and Ms. Brzezinski at one point last summer, Mr. Trump told an adviser, "It felt good."

Even before he began his campaign two years ago, Mr. Trump showed a

disregard for civility when he made critical remarks on television and on social media, particularly about women.

He took aim at the actress Kim Novak, a star of 1950s cinema, as she presented during the 2014 Academy Awards, taking note of her plastic surgeries. Chagrined, Ms. Novak later said she had gone home to Oregon and not left her house for days. She accused Mr. Trump of bullying her, and he later apologized.

As a candidate, Mr. Trump was insensitive to perceptions that he was making sexist statements, arguing that he had a right to defend himself, an assertion Ms. Sanders echoed on Thursday.

After the first primary debate, hosted by Fox News in August 2015, Mr. Trump trained his focus on the only female moderator, Megyn Kelly, who pressed him on his history of making derogatory comments about women.

He told a CNN host that Ms. Kelly had "blood coming out of her wherever," leaving Republicans squeamish and many thinking he was suggesting that Ms. Kelly had been menstruating. He refused to apologize and kept up the attacks.

Later, he urged his millions of Twitter followers to watch a nonexistent graphic video of a former Miss Universe contestant, Alicia Machado, whose weight gain he had parlayed into a media spectacle while he was promoting the pageant.

Mr. Trump went on to describe female journalists as "crazy" and "neurotic" on his Twitter feed at various points during the race. He derided reporters covering his campaign, Katy Tur of NBC and Sara Murray of CNN, in terms he rarely used about men.

His tweets on Thursday added strain to the already combative daily briefing, as reporters interrupted Ms. Sanders's defense of the president to ask how she felt about them as a woman and a mother.

She responded that she had only "one perfect role model": God.

"None of us are perfect," she said.



recent election losses by once again concluding that it needs a better economic message. As

Zakaria : The Democrats' problem is not the economy, stupid

The Democratic Party has reacted to its series of

Senate Minority Leader Charles E. Schumer said Sunday, "Democrats need a strong, bold, sharp-edged and common-sense economic agenda." The only disagreement within the party is about how sharp-

edged and left-wing that agenda should be. But it is increasingly clear that the problem for Democrats has little to do with economics and much more to do with a cluster of issues they would

rather not revisit — about culture, social mores and national identity.

The Democratic economic agenda is broadly popular with the public. More people prefer the party's

views to those of Republicans on taxes, poverty reduction, health care, government benefits, and even climate change and energy policy. In one recent poll, 3 in 4 supported raising the minimum wage to \$9. Seventy-two percent wanted to provide pre-K to all 4-year-olds in poor families. Eight in 10 favored expanding food stamps. It is noteworthy that each of these proposals found support from a majority of Republicans.

The Democracy Fund commissioned a comprehensive study of voters in the 2016 presidential election, and one scholar, Lee Drutman, set out his first key finding: "The primary conflict structuring the two parties involves questions of national identity, race, and morality." Focusing on the people who voted for President Barack Obama in 2012 and then Donald Trump in 2016, Drutman found that they were remarkably close to the Democratic Party on economic issues. But they were far to the right on their attitudes toward immigrants, blacks and Muslims, and much more likely to feel "people like me" are on the decline.

Most popular stories, in your inbox daily.

The Public Religion Research Institute and the Atlantic also conducted an important study to analyze the most powerful predictors of whether a white working-class American would vote for Trump. The top predictor was if someone identified as a Republican, a reminder that party loyalty is very strong. But after that, the two best predictors were "fears of cultural displacement" and support for deporting undocumented immigrants. Those who felt their economic conditions were poor or fair were actually slightly more likely to vote for Hillary Clinton.

It's worth considering how much the Democratic Party has changed over the past 25 years. Bill Clinton's party was careful to come across as moderate on many social issues. It had a middle-of-the-road position on immigration and was cautiously progressive on subjects such as gay rights. The Democrats eventually moved boldly leftward in some of these areas, such as gay rights, out of an admirable sense of principle. On others, such as

immigration, they did so largely to court a growing segment of Democratic voters, a process that Peter Beinart nicely explains in the most recent Atlantic issue. But in a broader sense, the Democratic Party moved left because it became a party dominated by urban, college-educated professionals, and its social and cultural views naturally mirrored this reality.

The party's defense of minorities and celebration of diversity are genuine and praiseworthy, but they have created great distance between itself and a wide swath of Middle America. This is a cultural gulf that cannot be bridged by advocating smarter policies on tax credits, retraining and early-childhood education. The Democrats need to talk about America's national identity in a way that stresses the common elements that bind, not the particular ones that divide. Policies in these areas do matter. The party should take a position on immigration that is less absolutist and recognizes both the cultural and economic costs of large-scale immigration. On some of the issues surrounding sexual orientation, it can and should affirm

its principles without compromise. But perhaps it is possible to show greater understanding for parts of the country that disagree. California recently enacted a travel ban that now prohibits state-funded travel to eight states with laws that — in California's view — discriminate against LGBT people. Meanwhile, California has no problem paying for employees to travel to such havens of tolerance as China, Qatar and Russia.

The more I study this subject, the more I am convinced that people cast their vote mostly based on an emotional bond with a candidate, a sense that they get each other. Democrats have to recognize this. They should always stay true to their ideals, of course, but yet convey to a broad section of Americans — rural, less-educated, older, whiter — that they understand and respect their lives, their values and their worth. It's a much harder balancing act than one more push to raise the minimum wage. But this cultural realm is the crossroads of politics today.

POLITICO Trump's trade plan sets up global clash over 'America First' strategy

Restuccia

Andrew

in a high-level meeting this week with the president.

The Trump administration is quietly preparing sweeping new trade policies to defend the U.S. steel industry, a move that could reverberate across global economies and incite other countries to retaliate.

In a bid to keep his campaign promise to crack down on unfair trade practices, President Donald Trump is weighing trade restrictions on steel imports from countries like China, according to two administration officials.

Story Continued Below

The prospect of new trade restrictions has already added to the souring of the United States' relationship with international allies ahead of a gathering of the G-20 leading economies next month, heightening mounting frustration with Trump's nationalist impulses.

For months, the Trump administration had been unable to settle on a coherent trade policy on everything from NAFTA to steel imports. It's a result of the continuing tug of war between the administration's "America First" advisers and advocates of a more global approach that pays heed to U.S. allies. The administration has been debating the issue behind closed doors for months, including

The tension among Trump's aides appears to be easing, however. The president's advisers are coalescing around a tailored approach that would target the steel imports of individual countries, rather than across-the-board measures against every nation that sends steel to the U.S., according to two sources familiar with the discussions.

The administration's more narrow approach is meant to allay the concerns of U.S. allies like Canada and the European Union, which together make up a large share of the steel imported in the U.S. Leaders from such trading partners have sharply criticized invoking national security as a means to erect trade barriers, which is one approach the administration is considering.

Yet even a tailored tariff or trade restriction could nonetheless prompt a targeted nation to attack a vital U.S. export and eventually lead to a trade war.

Whatever the final decision, the debate is giving foreign leaders and U.S. companies a greater window into the administration's approach to trade — a cornerstone of the president's campaign platform.

"If they go off in a sharply protectionist direction, it will upset

the global apple cart and could backfire and hurt U.S. economic interests," said C. Fred Bergsten, director emeritus of the Peterson Institute for International Economics and member of the president's Advisory Committee for Trade Policy and Negotiations.

A White House spokeswoman, Natalie Strom, said the administration did not "comment on these types of internal deliberations."

For months, Trump's senior advisers have been deeply divided over trade policy priorities. The fight has pitted National Economic Council Director Gary Cohn, U.S. Trade Representative Robert Lighthizer and Agriculture Secretary Sonny Perdue against the more protectionist wing of the administration, which includes White House trade adviser Peter Navarro, chief strategist Steve Bannon and, oftentimes, Commerce Secretary Wilbur Ross.

In a bid to reach a consensus, senior administration officials have for the last three months been meeting every Tuesday morning at the White House to hash out their differences. And this week, top White House aides organized two days of high-stakes huddles aimed at drafting a final policy on steel imports, administration officials said.

The White House has long been weighing four major options when it comes to action to help domestic steel producers: across-the-board tariffs, a combination of tariffs and quotas, tariffs or quotas targeting specific countries, and enforcement measures for unfair trade practices.

This week, Trump officials discussed a pending Commerce Department report into whether to restrict steel imports to protect national security. The report, which was ordered by the president in an April memo, will likely not be released publicly this week, two administration officials said, despite Ross' earlier goal of delivering it by the end of June.

On Monday, Trump and Vice President Mike Pence met with more than a dozen administration officials. They included many of the heavy hitters in the administration whom Trump has come to rely on for policy advice, including Ross, Perdue, Lighthizer, Navarro, Cohn, Treasury Secretary Steven Mnuchin, OMB Director Mick Mulvaney, national security adviser H.R. McMaster and chief of staff Reince Priebus. The meeting was organized by White House Staff Secretary Rob Porter, who has been involved in coordinating policy across the administration.

During the meeting, Trump gave his various advisers about two minutes

to argue their case, according to people who were present at the two-hour-plus meeting. At times, the tenor of the meeting turned tense.

"There are a variety of ways the president can approach this decision, and each side in the White House is very convinced their approach is the best," said one source familiar with the meeting.

The president then instructed his advisers to deliver a comprehensive trade plan in the coming days.

A smaller group of administration officials met again on Tuesday, where they came up with a preliminary strategy that takes a more tailored approach than the across-the-board tariffs favored by the hard-liners in the administration, aides said.

That approach would not target every country that exports steel into the United States, instead allowing for exemptions. The officials also largely agreed that the U.S. should pursue a more collective approach in which countries can work together to address unfair trade practices, according to the aides.

"We ask the G-20 economies to join us in this effort and to take concrete actions to solve these problems. But let us be clear, we will act to ensure a level playing field for all," Cohn told reporters earlier Thursday, pointing to "massive distortions" in the international steel market.

An administration official said no decision has been made on

the list of countries that could be targeted, and the official cautioned that the strategy could change over time, particularly because the Commerce Department report isn't expected to recommend such a tailored approach.

Aides said the administration was considering other options as well, including using a separate trade law that gives the U.S. authority to sanction countries that engage in unfair trade practices.

Trump has up to 90 days to respond to the Commerce Department's recommendation, which could give his advisers time to influence him further.

The officials said they did not expect Trump to make a formal trade announcement until after the upcoming G-20 summit in Hamburg, Germany, which begins July 7. Trade issues are slated to be a major topic of discussion at the meeting, which Trump will attend.

Still, administration officials said Trump is eager to resolve the issue because trade was such a big part of his campaign messaging, particularly to Midwestern voters in states that were once manufacturing-heavy. Unlike health care and some other policies, Trump has been deeply engaged on trade.

"I think he feels like certain promises were made during the campaign, and he wants to live by them," one senior administration official said.

Trump bashed China repeatedly on the campaign trail, at one point suggesting that he'd impose a 45 percent tariff on goods coming out of that country. He also installed Navarro — a former economics professor and fierce critic of China who made a documentary titled "Death by China" — in the White House in a newly created trade position.

Trump warned to Chinese President Xi Jinping after his April visit to Mar-a-Lago. But the president appears to be frustrated with the country again, officials said, adding that any trade-related measures are likely to target the nation's steel exports.

Both foreign officials and U.S. business groups have raised concerns about any attempt to justify import restrictions on the basis of national security — a rarely used right that countries have under WTO rules.

"The [Chinese] Ministry of Commerce believes there is no evidence that steel imports threaten to impair U.S. national security," Yu Gu, a ministry official stationed at the Chinese Embassy in Washington, testified at Commerce Department hearing in May. "The United States' defense and national security requirements are clearly not dependent on imports of foreign-made steel."

Canadian, Russian and Ukrainian officials have all urged that they be exempted from any import restrictions if the U.S. invokes Section 232 of the Trade Expansion

Act of 1962, which allows it to limit imports of steel and aluminum on the basis of protecting national security interests.

The Canadian government, in comments filed with the Commerce Department, said it believed "there should be no concern about steel imports from Canada having potential national security impacts on the United States."

Canada, the U.S.'s largest trading partner, also urged the Trump administration to be certain of its facts before imposing any curbs since "there should be a very clear and direct link between any proposed restrictions and a specified national security concern."

European Union officials, in a similar vein, have warned that they do not believe the United States can plausibly claim a national security exemption from global trade rules to restrict steel imports.

Trump's actions could bring back memories of former President George W. Bush's decision in 2002 to slap hefty "safeguard" tariffs on steel imports to give domestic industry time to restructure. That triggered global outrage and a WTO case, which the U.S. lost.

Doug Palmer contributed to this report.

The New York Times

Editorial : Mr. Trump's For-Profit Campaign

President Trump hosted a \$10 million re-election fund-raiser at his own hotel in Washington on Wednesday. It may have been a first in recent presidential history: an event that lined a chief executive's campaign coffers and his pockets at the same time.

The \$35,000-per-person event also suggested that Mr. Trump plans to run his second campaign much like his first, as an opportunity to not only further his political ambitions, but also to make a bit on the side.

The Trump International Hotel confirmed on Thursday that it charged the Republican National Committee, which organized the dinner, "regular prices" for catering and space, proceeds that flow to the hotel, much like the \$14 million in campaign contributions Mr. Trump used to reimburse his companies

for airplane flights, office space, food, wine, even water.

The Trump Organization isn't known for comping anyone anything: It has even charged Eric Trump's children's cancer foundation fees associated with hosting the foundation's charity golf tournaments over the years, money that otherwise might have gone to the St. Jude pediatric cancer center.

Of course, it's hard to fault the president for spending weekends at personal properties he enjoys, like Mar-a-Lago, although it's also true that his presence is a promotional opportunity. It's easier to criticize his continuing ownership of the Washington hotel, which has raked in hundreds of thousands of dollars from foreign governments and lobbyists since Mr. Trump became president, including some \$270,000 from Saudi Arabia alone.

A lawsuit filed by Citizens for Responsibility and Ethics in Washington, a bipartisan ethics watchdog group, alleges that these payments violate the Constitution's emoluments clause, which prohibits the president from accepting unspecified "gifts" from foreign governments. Mr. Trump said his hotels would donate all foreign profits to the Treasury. His company later partly reneged, saying it would have trouble separating those foreign payments from payments by other guests.

America was spared witnessing Wednesday's moneyfest, since the White House banned reporters from covering Mr. Trump's speech. So the public did not glimpse Republicans belying up to the bar at a time when Senate leaders were debating how to yank health care coverage from millions when Congress reconvenes after the July 4 break. Those concerns were

represented on the sidewalk outside the hotel, as protesters shouted "shame" at attendees, and waved signs reading "\$ FOR HEALTHCARE NOT A FANCY DINNER," and "MEDICAID, NOT MILLIONAIRES."

Government ethics officials had strongly urged Mr. Trump to sell off his businesses to avoid scenes like Wednesday's. But he refused, because under the law he is not prevented from exploiting the presidency to turn a profit, and, unlike previous presidents, he doesn't much care how that looks. Until Americans and their elected representatives demand statutory changes, Mr. Trump and his family seem determined to use his electoral success to make a buck, regardless of how shameful the spectacle.

