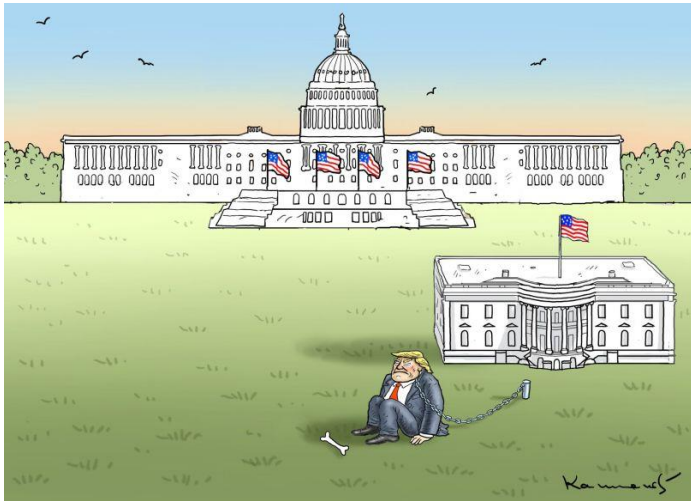


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FRANCE - EUROPE

The
Washington
Post

Neymar's transfer is about a record amount of money — and a whole lot more (UNE)

By Thursday evening, the reality had swept across an irked Barcelona and a flabbergasted Europe to a high-reaching Qatar and beyond: An athlete really could fetch \$263 million just to transfer him from one club to another, before even beginning the negotiation of his wages.

Neymar da Silva Santos Jr., the 25-year-old Brazilian known to soccer intellectuals since his midteens simply as Neymar, will leave the globally admired Barcelona club after four seasons. He will relocate to the top French league and the club Paris Saint-Germain, entities considered less upper-crust than the top Spanish league and Football Club Barcelona. The spectacular move, at a total cost of more than a half-billion dollars to his ambitious new employer, has little to do with business and more to do with prestige and political perceptions.

In the United States, if LeBron James wants to leave the Cleveland Cavaliers, he will demand a trade or wait for his lucrative contract to expire after the NBA's 2017-2018 season, then become a free agent. It's the straightforward way traditional U.S. professional sports leagues operate and the way players are able to change teams.

Now consider Neymar, who is under contract for almost four more years. Paris Saint-Germain wanted him very badly. Neymar wanted to spread his wings and escape the shadow of teammate Lionel Messi, winner of five of the past eight Ballon d'Or awards as the world's top player. There are virtually no trades in international soccer. So the only way the Paris organization could acquire Neymar is through a transfer. In other words, it must buy him from

Barcelona for a \$263 million fee that doesn't even include his contract, which will run in excess of \$36 million annually for five years.

[Despite futile Spanish attempt to stall Neymar's transfer, he signs with Paris Saint-Germain]

"The first word that comes to mind is insane," said Marc Ganis, co-founder of Chicago-based Sportscorp, a leading sports business firm. "There's no way that it makes any economic sense. It's insane. It's beyond insane."

The transfer fee, more than double the previous record spent on a player, appears to be worth it for the owners of PSG, as the club is widely known. Many soccer observers see the move as an effort by its leaders to elevate the image of Qatar, whose government owns the French club. The oil-rich Persian Gulf state has been the subject of widespread negative publicity stemming from its controversial selection to host the 2022 World Cup and is under a trade embargo imposed by its Middle East neighbors.

The Neymar initiative, however, is consistent with PSG's mission to extend its success beyond French borders and join the upper echelon of European soccer. The team has won four of the past five domestic league trophies but has never appeared in a Champions League title game. The most recent disappointment came in March, when PSG was the victim of the greatest comeback in the 62-year history of the event. It came against Neymar and Barcelona.

Now PSG believes it has its missing piece in Neymar.

Barcelona didn't necessarily want to sell him. It has won seven of the past nine Spanish league titles and

four of the past 12 Champions League competitions, a continent-wide tournament that is considered the most prestigious crown in global professional soccer. The club is estimated to be worth more than \$3.6 billion, ranking fourth in the most recent Forbes listing of the most valuable sports franchises in the world. And Neymar is among its most valuable assets, widely regarded as the third-best player, behind Messi and Cristiano Ronaldo, in the world's most popular sport.

But all high-end players have release clauses in their contract, which means if another team tenders a transfer offer of that specified amount, the current club must sell. No one figured to hit Neymar's astronomical figure. The previous mark was \$125 million, paid last year by Manchester United to acquire French midfielder Paul Pogba from Italian power Juventus.

[Neymar's dazzling goal lifts Barcelona over Manchester U. at FedEx Field]

PSG's efforts tested a European soccer rule known as Financial Fair Play, established in 2011 to prevent teams from falling into deep debt. Teams that violate the terms are subject to fines and other sanctions. It's unclear whether the club has broken the rules.

Ganis said PSG will reap some economic benefits from employing Neymar, who will raise the profile of the team, sell tickets, attract sponsorships and perhaps help collect championship earnings.

"It will cover some of the cost," Ganis said, "but there's no way for it to make economic sense. They can only chip away at it."

Sports-wise, it has paved a curious road, with an ambitious French club serving as a test case for how much one star might lift its fortunes. And on the other side, a proud soccer city was left bereft and miffed.

In Barcelona, there were reports of vandalism of Neymar ads around town. A tabloid newspaper showed a photo of Neymar driving off in his car under the headline "¡HASTA NUNCA!" ("See you never!").

Outside Camp Nou stadium, where Neymar, Messi and Uruguayan Luis Suarez formed perhaps the most glamorous offensive attack in the sport's history, you still could buy a Neymar shirt for 99 euros (\$117) from the official merchandise trailer. You just couldn't see it until a clerk withdrew it from behind the visible shirts such as Messi's.

Photos and cartoons of Neymar appeared here and there, painted on the side of the trailer, on a machine where you could buy a commemorative Neymar coin (or a Messi coin) for 4 euros (\$4.75) and on a photo near the entrance featuring Neymar and Messi seated among 15 children with a message in Catalan that translated as, "Who values you, wins."

Evening Edition newsletter

The day's most important stories.

In the stadium parking lot, an attendant wisecracker, in Spanish, to a driver, "You want to see Neymar? Neymar is not here anymore."



Swimming in the Seine by 2024 Games? Yes, we canal!

August 3, 2017 Paris—They squeal and take a deep breath before they jump at the count of five into the murky water. For these five boys, it's just a day of summer fun in a pool.

For the adults looking on though, swimming in a Parisian canal — long associated with rubbish and nighttime revelry — represents the

reclamation of leisure from the creeping development and pollution that has long kept paddling off limits.

Now that Paris has gotten closer to hosting the 2024 Olympic Games — after Los Angeles relinquished its competing bid this week — this scene might one day not be such an anomaly, one that prompts

passersby to snap photos and film videos.

Paris has proposed that Olympic competitions not just be organized throughout the city built on the Seine, but in the Seine itself. And the idea is that, by then, Paris waterways will be so clean that residents and visitors will be

splashing in designated areas as part of everyday life.

Guillaume Tavitian, a Parisian who was taking a walk with his father over a footbridge spanning the canal, says he remembers when former President Jacques Chirac, then mayor of Paris, announced in 1988 that he'd swim in the Seine within five years. He never did. "Now

I think it's really possible by the Olympics," says Mr. Tavitian.

'Much better than the park'

These waters were not always banned. This spring when Paris Mayor Anne Hidalgo permanently closed down the roadway along the right bank and turned it into a park, the inauguration featured an exhibit called the Banks of the Seine.

Archival images showed Parisians jumping off the Pont d'Iéna, steps from the Eiffel Tower, in August 1945, and dangling their feet into the Seine under it. It featured swimmers at the famed floating pool Deligny, dating back to the end of the 18th century.

But the banks were ceded to transport and industry. Swimming in Parisian waterways has been officially banned since 1923, due to poor water quality, heavy traffic, and strong currents. But it only became truly off limits after the post-war boom and development that ensued. Until this summer, it has been mostly nighttime rulebreakers who have dared to take a dip.

The new Paris canal swimming pool is packed - particularly the baby pool - on a recent day. It's so novel that passersby can't help but take photos, but the city hopes that it will become more commonplace, here and in the Seine, by the Summer

Olympics of 2024.

Sara Miller LLana/The Christian Science Monitor

aption

When the pool opened at the Canal de l'Ourcq in July, with three basins including a baby pool and capacity for 300 swimmers at a time, the mayor's office deemed it "an ecological conquest."

It opened as part of Paris Plages, an annual summer event that since 2002 has turned the banks of the Seine and canal into a veritable "beach" with volleyball courts, lounge chairs, and views of sailboats and barges passing by. An awesome sight (at least for urbanites who find beauty in the reuse of space), it only lacked one thing: the actual "beach."

"The water feels perfect," says one little girl as she climbs out of the basin. When asked if this is her first time at the pool, she looks incredulous. "I've been here every day," she says. "This is much better than the park."

Swimming in the Seine itself is still prohibited, but the city has promised to clean the water in preparation for the triathlon and swimming competitions of the 2024 Games, which are expected to be officially announced in Paris's favor on Sept. 13 after a deal between Los Angeles

(which agreed to host the 2028 edition), Paris, and the International Olympic Committee. It would be the first time in a century that Paris hosts the Olympics - the last time coming the year after swimming was banned in city waters.

It is part of a revival of urban river swimming around the world. Already Danes swim in the waterways of their capital, Copenhagen. In Boston, the city offers "splash" days in the Charles River, while dozens of urban planners study similar possibilities.

'It's nice only for a look'

Not everyone is enticed. "Do you see that algae?" says Chantel Cajazzo, who was taking a walk with her children at the Paris canal.

The pool, in fact, was briefly closed for a day last month after higher-than-normal levels of bacteria were found, according to local press reports. It reopened the following day. But Ms. Cajazzo says that while the new pool is "nice to look at" and brings back a sense of life - and vacation to those who can't afford the sea - "it's nice only for a look."

Cajazzo says she believes the city won't ever be able to open swimming to the masses, after decades of industrialization and deindustrialization that has strained

waterways. "We can't return to the era before that," she says. Nor should we, argue some. Such plans have been dismissed as a "bobo" (bourgeois-bohemian) ideal that puts leisure ahead of the realities of jobs, trade, and transport.

Still, the city of Paris keeps purifying.

The graphic design company Klar worked with the city, and illustrator Simon Roussin, to advertise Paris Plages this year. The scene of the canal is a colorful, whimsical illustration that recalls a vintage poster. A man sits on a pier, looking out onto boaters and swimmers in the distance. A woman climbs down a ladder that leads into crystal blue waters.

"The brief from the mayor's office was to represent Paris as a seaside resort," says Alix Hassler, project manager at the company. "It's representing a Paris that is a bit fantastical, imaginary." Yet with the canal pools just down the street, she notes that their poster also represents the "real drive of the current mayor," and slowly is turning into reality around them.

Except, perhaps, for the color of the water.

THE WALL STREET JOURNAL

Fidler

Laurence Norman and Stephen

Brexit Transition Deal Poses Questions for the EU

The British government's apparent agreement that it will seek a post-Brexit transitional deal with the European Union is aimed at easing business uncertainty. But companies still have no idea about what rules will govern the economic relationship between the EU and U.K. when Britain leaves the bloc less than 20 months from now.

Westminster politics has ensured there is still plenty of confusion about what the government wants the transition to look like, and the waters haven't been tested on how the EU will react to any British demand, an issue that has been absent from the British debate.

In principle, EU officials have been open to the idea—though they have insisted that "sufficient progress" should be made on the divorce terms, including a British financial settlement, before they begin discussing it.

From the outset, EU officials envisaged two possible types of transition. The first type would look more like the eventual permanent

landing place for the relationship, with phasing out periods for current arrangements. The second would replicate more closely the relationship that exists now, shifting after an agreed time to the permanent arrangement.

However, with time short, negotiating a detailed transitional deal of the first type looks highly ambitious, because it would also require the shape of the permanent future ties between the EU and the U.K. to be worked out. A transition of the second type—a temporary standstill—would be easier and is the stated preference of many businesses.

So what is the EU position? Michel Barnier, the EU's chief negotiator, has regularly said a transition would only be plausible as a bridge toward the future trade agreement between the EU and U.K.

That is reflected in negotiating guidelines that were agreed to by the 27 other EU governments on April 29. They said transitional arrangements should "provide for bridges towards the foreseeable framework for the future relationship" and "must be clearly defined, limited in time, and subject

to effective enforcement mechanisms."

The European Parliament, which must approve the divorce deal before Britain leaves, was more specific on the length of any transition, saying it should last no more than three years.

This leaves a host of questions.

The first is whether a status-quo arrangement would meet the EU criterion of taking the two sides toward the end state of a future EU-U.K. agreement. Indeed, some EU governments are concerned that such a transition, while helpful for Britain, could merely perpetuate uncertainty for the other 27 EU nations, which are generally confident they can handle the impact of Brexit.

If they agreed in principle to a temporary standstill, what would the EU require in return? Would it demand that all EU citizens who arrived in the U.K. after Brexit should be offered the same expansive rights and benefits that it wants Britain to offer those who are already there? If so, that would push back by years the as yet undetermined cutoff point after

which new arrivals would no longer be guaranteed a path to permanent residency.

Would the price of British temporary membership of the customs union and the single market be the same as it is now once the U.K. was no longer a member? Would the EU insist that Britain would have to give up its long-cherished budget rebate, which lowers its net contribution to EU coffers to around €10 billion annually?

To be sure, a British status-quo offer would have attractions to the EU 27. It would rid the EU of the large budget gap it will face at least for the remainder of the current 2014-20 budget period by ensuring continued British payments to Brussels in 2019 and 2020, and possibly beyond. (It might also lower the British divorce bill, easing negotiations there.)

The EU would also stand to lose from British economic turbulence—and the loss of tariff-free export markets—if the U.K. were to exit before it is economically ready to do so. EU officials quietly say it is an offer the bloc would carefully consider.

"It's easy to agree to keep everything as it is for two years," one senior EU diplomat said last month, saying it would be a "clever" offer from London. However, he added, "For sure, some countries would like a quite limited transition, two-three years is already pushing

it."

"I don't think it would be divisive," said a second diplomat involved in the negotiations. "The main issue to consider is that everybody wants a smooth Brexit and whatever we can do to ensure that smooth Brexit is something that merits discussion."

One thing is clear, however. The EU won't offer anything until the U.K. clarifies its position and makes an official proposal. An agreement will then have to be struck on terms. The longer all this takes, the longer post-Brexit uncertainty for business will last and the less valuable a transitional deal will be.

—Valentina Pop contributed to this article.

The New York Times

Amie Tsang

LONDON — At the vast Sainsbury's grocery store in south London's Tooting Broadway neighborhood, a basket of milk, eggs, bread, cornflakes and butter will cost shoppers four pounds and 70 pence, or about \$6.15. A short walk away at Aldi and Lidl — two German discount grocery stores — those same items amount to £3.92.

Those small differences in price are having a major impact on grocery shopping in Britain.

The vote last year to leave the European Union, known as Brexit, damaged confidence in the economy, and the pound has since fallen more than 10 percent against the dollar. That, in turn, has made imports more expensive, driving up the prices of staples like bananas and sugar. The Bank of England said on Thursday it expected inflation to accelerate. Wages, too, have started to drop, pushing many people to increasingly look for savings.

Opting for cheaper grocery stores like Aldi and Lidl is one such option, and the two retailers are taking advantage.

Britain's supermarket sector is ruthlessly competitive. Major retailers like Morrisons, Sainsbury's, Tesco and Walmart's Asda all jostle for market share by offering loyalty schemes, online shopping, home delivery and special offers (Amazon, by comparison, is a relative minnow in the grocery sector).

Long dismissed in Britain as shops targeting only lower-income discount-hunters, Aldi and Lidl have steadily made progress and, since Brexit, their growth in market share has accelerated.

Spending at the two stores grew by double digits in the 12 weeks to mid-July, according to Kantar Worldpanel, a research group, outpacing not only the wider industry but every other major supermarket. Together, they now account for more than 12 percent of the country's spending on groceries, up from just 4 percent a decade ago.

"When I was growing up, there used to be a bit of a stigma around shopping at discount stores at my school," said Christina Carr, who works at a bank in Newcastle, in northern England. If you shopped at one, "you'd be classed as a poor family, and the kids would be horrible."

When Ms. Carr, a 28-year-old bank employee, moved out of her grandparents' home, she found herself thinking much harder about her finances. She and her partner spent £60 on groceries every week, which looked increasingly unaffordable.

In November, she relented, switching from Asda and Sainsbury's to Aldi and Lidl. "The difference in price," Ms. Carr said, "it's really significant."

Aldi and Lidl, both of which are privately held, made their first ventures into Britain in the 1990s, focusing on price. They targeted suburban areas and had spartan interiors. But they initially made few inroads in a market where supermarkets can carry class connotations. Upmarket grocery stores add as much as 10 percent to real estate values.

That started to change when the financial crisis hit. Britain's economy went into recession and unemployment rose above 8 percent. Pay slumped in the years after the crisis, and though it has recovered somewhat, average wages are still lower in real terms than they were before the crisis.

A post-Brexit world has added to the popularity of "the discounters," as the two retailers are collectively known. Inflation was 2.6 percent year-over-year in June, higher than the Bank of England's target, and the central bank says it could rise to 3 percent in the fall. Official figures show disposable income has fallen. Rising grocery prices, in particular, mean the average household could spend £133 pounds more this year on its annual grocery bill compared with the previous 12 months, according to Kantar Worldpanel.

Aldi and Lidl push their low-price messages relentlessly, both in

advertising campaigns and in stores. The two retailers stock significantly fewer products — typically only a tenth as many as competitors — with a greater focus on items sold under their own lower-cost brands. Many goods are placed on shelves still in the crates or boxes in which they were delivered.

At the Lidl in Tooting, stacks of vegetable boxes run down the middle of the store, while bright orange signs overhead advertise price cuts. The store's glass exterior is emblazoned with heart-shaped Union Jack flags and the words "Fresh British." Visitors to the Aldi across the road have to keep on the move to avoid staff members hurriedly restocking shelves or rushing to open cashier stalls.

They currently have nearly 1,400 outlets between them, and their sales have risen faster than those of rivals. Three in every five British households have shopped at either Aldi or Lidl, and the demographics of their customers are now similar to that of the broader population, according to Mr. Aubin at Morgan Stanley.

"Although they're small in the U.K., they're massive businesses in their own right," said James Walton, chief economist at IGD, which carries out research on the food and grocery industries. "They have great scale when considered globally, and they're only buying a fairly limited range of products."

As their customer base has expanded, the stores have expanded their offerings, adding seasonal product lines that include luxury goods like lobster or magnums of prosecco. Lidl, for example, is selling inflatable pool toys, avocado oil and Iberico ham.

That has helped retain a broader range of customers, like Mark Whitfield, who frequents both Aldi and Lidl in Sittingbourne, about 45 miles from London. "You're buying unusual or luxury products, but not paying as much," said Mr. Whitfield, 52.

Their expansion extends beyond Britain.

As Brexit Nears, 'Discounters' Gain Ground in U.K. Supermarket Wars

The American supermarket sector is significantly more fragmented than Britain's, and the German retailers have set their sights on expanding there. Among lower-price grocery stores, Aldi already has 1,600 stores in the United States and is planning to expand to 2,500 within the next five years. Lidl is looking at opening 100 outlets as well, after opening its first American stores in June.

The looming behemoth in the industry, however, remains Amazon, which bought Whole Foods in June. Though the online giant's Amazon Fresh and Pantry services are available in Britain, the company's market share here amounts to less than 1 percent, according to Kantar Worldpanel.

"Whether you look at the U.S., U.K.," said Mikey Vu, a partner focused on retail on Bain & Company, a consultant firm, "there's a larger proportion of the population that's concerned with where they're spending their money."

"The economy makes things a lot tougher for a lot of people," he said of American consumers. "People are watching their pennies more. The hard discounter model is attractive to them, just like we saw in the U.K."

The shift toward "the discounters" is not just a short-term issue for Britain's supermarket sector. Younger shoppers are increasingly willing to try supermarket-brand items, which are no longer seen as lower-quality knockoffs, a trend that could be accentuated if the economy takes a turn for the worse again.

"You're paying for the name" at other supermarkets, said Lucy Deacon, a 27-year-old who was shopping at the Aldi in Tooting. Ms. Deacon, who works in a local betting shop, said she would focus her shopping even further on discount supermarkets if Britain saw another downturn.

As she picked through spices for a curry she planned to cook that evening, Ms. Deacon said, "You get more for your money here."

Editorial : The Scandalous Persecution of Greece's Budget Whistle-Blower

The statistician who exposed the true extent of Greece's fiscal collapse must think that doing the right thing was the worst decision he ever made. Andreas Georgiou has been vilified at home and charged with multiple violations of the country's civil and criminal law. An appeals court has just upheld his conviction for a minor procedural offense, giving him a suspended sentence, and with more serious charges still pending, his protracted legal ordeal isn't over yet.

This officially sanctioned persecution is disgraceful and ought to stop. The European Union has criticized the Greek authorities for their actions in the case, but to no great effect. That needs to change.

Georgiou was recruited in 2010 from the International Monetary Fund to

clean up Greece's public accounts. For years, Greek politicians had leaned on national statisticians to disguise the extent of public borrowing. When Athens asked the EU and the IMF for help, they demanded an accurate accounting. Georgiou found that the budget deficit was 15.4 percent of gross domestic product, much higher than previously thought.

That number was the benchmark used to calculate the size of Greece's bailout and the degree of budget tightening demanded in return -- prompting allegations that Georgiou had manipulated the figures, siding with foreign creditors against his country. His persecution at the hands of the press and his own government began.

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

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The appeals court found Georgiou guilty of failing to consult the board of the statistical agency he led. (Georgiou suspended board meetings after finding that one of its members had hacked into his emails.) Further appeals are possible so the conviction may yet be overturned. Meanwhile, much more serious charges of cooking the books and acting against the national interest have not been resolved.

Throughout Georgiou's time in charge, the EU's own statistical agency, Eurostat, approved his work. That work was undertaken in

the first place because the EU deemed it essential. The Greek government, under EU pressure, is paying only part of his heavy legal costs, and the administration of Prime Minister Alexis Tsipras continues to make him a scapegoat for Greece's economic disaster.

This travesty has gone on far too long. The Greek government should recognize Georgiou as a brave civil servant who did his job, indemnify him for his legal costs, and press for a prompt resolution of the remaining issues. And the European Union should insist more firmly on all of the above.

The
New York
Times

Denmark's Prince Henrik Wanted to Be King. So He'll Protest for Eternity.

Martin Selsoe Sorensen

COPENHAGEN — Prince Henrik of Denmark has been married to the country's queen for 50 years, and he has been carrying a grudge the whole time. Now, in an act of protest, he says he no longer wishes to be buried by her side, the Royal Danish House announced on Thursday.

Behind the decision lies decades of frustration over what he sees as unequal treatment.

Henrik, now 83, married Queen Margrethe II in 1967, and was later bestowed with the title of the queen's prince consort. But what he really wanted was to be king — or in this case “king consort.”

“It is no secret that the prince for many years has been unhappy with his role and the title he has been awarded in the Danish monarchy,” the Royal Danish House's director of communications, Lene Balleby, told the newspaper BT. “This discontent has grown more and more in recent years.”

“For the prince, the decision not to be buried beside the queen is the natural consequence of not having been treated equally to his spouse — by not having the title and role he has desired,” she added.

The prince has not announced where he would like to be buried instead.

Queen Margrethe II, 77, serves as Denmark's head of state and is responsible for signing all laws passed by Parliament. But the country's legislative powers have been in the hands of elected governments since 1849.

Henrik's complaints about his title and position have increased in recent years, but decades ago he also made public his grievance about not getting his own salary.

“The first hint came around his 50th birthday when he said on TV he found it difficult to ask his wife for pocket money for cigarettes,” said Stephanie Surrugue, a journalist and author of a biography of the prince, titled “Loner.”

He eventually did receive a salary and staff, but he never got the title he wanted. The Danish court's reasoning is that the practice is in line with those of other European royal families, but that has not mollified Henrik.

“He has said he loves his wife, but has difficulties with the queen as an institution,” Ms. Surrugue said. In many ways “he doesn't feel treated as part of the ruling couple.”

The prince retired from most official duties last year and is rarely seen in public. Ms. Balleby said the couple's marriage and the queen's work would not be affected by Henrik's change of burial plans.

Denmark has long prided itself as a nation that has for centuries aimed for gender equality, but Henrik's call for equal rights has often been mocked.

“It's absolutely ridiculous,” Karen Sjoerup, an associate professor at Roskilde University who specializes in gender issues, told Politiken, a daily newspaper, of the prince's demands. “The law on gender

equality does not apply to the royal court,” she said.

When Henrik married Margrethe, who was then crown princess, he was a successful diplomat in the French foreign service and a member of the nobility.

In marrying her, he exchanged his career for an undefined role as the queen's spouse — a first in the history of Denmark, where all previous monarchs had been male aside from a 14th-century queen, who was married to the king of Norway.

For at least seven years, Bjorn Norgaard, a sculptor, has been working on a glass sarcophagus carried by silver elephants that is designed to hold both the queen and the prince in Roskilde Cathedral after their deaths.

But now, the royal court said, when the time comes the queen will rest there alone.

The
Washington
Post

Three European countries say they're done with fossil-fueled cars. Can the rest of the world catch up?

By Sintia Radu

European moves to mark the end of the road for diesel and gas-powered cars are putting pressure on carmakers — as well as the U.S. — to not get left behind in the shift

towards electric vehicles, analysts said.

The U.K. last month followed France in committing to end the sale of new gas and diesel cars from 2040.

Britain set the deadline as part of a broader plan to achieve a zero-emissions vehicle fleet by 2050. The government will spend about \$3.5 billion on plug-in charging infrastructure and other clean air initiatives.

Wonkbook newsletter

Your daily policy cheat sheet from Wonkblog.

[Tesla's Model 3 has mass appeal. That doesn't mean you can afford it.]

Earlier, France reported it was planning a "veritable revolution," ending the sale of new petrol and diesel vehicles by 2040 and offering financial help to low-income citizens to make the transit to electric cars.

"Our [car] makers know how to nurture and bring about this promise," Nicolas Hulot, the French ecology minister, said in a news conference.

Norway has set an even more ambitious goal of phasing out gas and diesel cars by 2025.

"There is an agreement on a target of zero new fossil-fuel cars sold as from 2025," said Vidar Helgesen, Norway's Minister of Climate and Environment, in a tweet. "No outright ban, but strong actions required."

Meanwhile, Volvo, founded in Sweden but now under Chinese ownership, said that from 2019 all new models would be equipped with an electric engine.

Clean air advocates and analysts said the moves in Europe give a much-needed push to the global electric car industry.

"There are cleaner-car alternatives than they used to be and companies and countries are beginning to realize that hybrids and electric vehicles make a lot more sense now," said Dan Becker, director of the Safe Climate Campaign, an advocacy group that focuses on automobile fuel efficiency.

Electric carmaker Tesla claimed with the release of its Model 3 to have produced the world's first mass market electric car.

But the moves by the car industry and some European governments

contrast with President Trump's policies. Trump has proposed weakening Obama-era fuel regulations, which would remove one of the incentives for electric cars.

Instead, analysts say the United States should consider taking steps toward encouraging electric vehicle usage and production, to not miss out on business opportunities on the global market.

"One relevant question is: What should the U.S. be doing so that its own homegrown companies could compete and stay at the forefront of these changing markets?" said Jessika Trancik, associate professor of energy studies at MIT. "I don't think we are capturing the opportunity right now with the uncertainty in policy on climate change and the unpredictability there."

Trancik predicted the moves will help increase global electric car sales.

"This is going to put pressure and incentivize car manufacturers to go in that direction and once they've done that there will be more models of electric vehicles and hybrids for people to buy, so the effects can go beyond the UK and France's borders," Trancik said.

[Why a French company is betting this electric car will catch on]

Electric cars already account for about 29 percent of new vehicle sales in Norway, thanks in part to tax exemptions and other perks such as free parking spots.

And there is public support to accelerate the shift toward electric vehicles. Last year, Netherlands voted to end new sales of gas and diesel cars by 2035. But the

proposal still has to be approved by the cabinet. Mayors of Paris, Madrid, Oslo and Athens have said they plan to ban diesel vehicles from their city centers by 2025.

Even Germany — Europe's biggest automaker — is feeling the pressure not to be left behind. The German Association of the Automotive Industry this week agreed to retrofit about 5 million cars with equipment that will emit 25 to 30 percent less nitrogen oxide.

Analysts said the accord reflects an aim to upgrade and preserve internal-combustion vehicles, rather than accelerate the transition to electric vehicle technology — and warned that could eventually hurt German automakers.

Ferdinand Dudenhöffer, an expert on the automotive industry at the University of Duisburg-Essen, said the deal reached at the automakers' summit was aimed largely at convincing cities not to adopt wholesale bans on diesel, which has powered European engines for decades. Pressure from German courts to get pollution under control has joined repeated warnings from the European Commission about unlawful levels of nitrogen oxide.

But without more far-reaching changes, Dudenhöffer warned Germany is endangering its position in a market it once dominated.

"The summit tells the public that we in Germany are at a dead end," he said. "What we need is a U-turn to go in the exact opposite direction."

Dudenhöffer said Tesla, the largest American manufacturer of electric vehicles, poses a formidable challenge. "To have invented the technology means you're Apple. Everyone else catching up is Samsung," he said.

Germany's response cannot be to "clean up a 20th-century technology," said Greg Archer, director of clean vehicles at the Brussels-based advocacy organization, Transport & Environment. The aim instead, he said, should be to shift to "zero-emission vehicles."

"France and the U.K. are paving the way on that, and Germany along with its carmakers seem to be lagging behind," Archer said. "The danger for Germany is that it continues producing cars that the rest of the world no longer wants. Just 5 percent of the new cars sold outside Europe are diesels."

However, national pledges for a move toward all electric vehicle fleets have also met with criticism.

And Guenther Oettinger, the European Union budget commissioner, has suggested it would be "significantly premature" to set a uniform E.U. date to abandon gas and diesel cars, according to the Associated Press.

It's also unclear how countries will meet the increased demand for electricity to power the electric vehicles.

The European Environment Agency projects electric vehicles will account for 9.5 percent of electricity consumption in 2050, from 0.03 percent in 2014.

"If in some other countries they don't have access to renewable electricity, the additional electricity might come from fossil fuel and some emissions might increase," Alfredo Sánchez Vicente, Project Manager for Transport at the European Environment Agency, said in an interview.

**NATIONAL
REVIEW
ONLINE**

Dougherty : Arming Ukraine Is a Bad Idea

It's a tempting way to stick a finger in the Kremlin's eye, but it would be a foolish and costly mistake.

When they have command of their senses, U.S. policymakers tend to think better of involving our nation deeply in Ukraine. So this week's calls from lawmakers and policy wonks to arm Ukraine are a sign that the Trump and Russia scandals have concussed our political class.

Sending weapons to Kiev makes no more sense today than it did two years ago. You may recall the last time "arming Ukraine" was floated. In 2015, fearing a Western-backed putsch would permanently pull the country from Russia's sphere of influence, Vladimir Putin took a

gamble to preserve the Kremlin's access to the Black Sea Fleet and annexed Crimea. Contrary to popular perception, this was not a demonstration of Kremlin strength, but a last resort. A truly strong Russia would have been able to keep Kiev under its influence and preserve its access to the Black Sea without force. In fact, in 2010 Putin used his popularity in Ukraine and Russia's diplomatic might to help his preferred candidate, the fantastically corrupt grifter, Viktor Yanukovich, over the line in presidential elections.

Ukraine is a deeply divided country. Its most-recent presidential elections revealed a stark conflict between the agrarian, Ukrainian-speaking north and west on one hand and the Russian-speaking south and east on

the other. It is also not a particularly admirable state. Successive governments in Kiev have turned out to be ineffective and/or hopelessly corrupt. Even the Western-supported Viktor Yushchenko arguably usurped the role of Ukraine's courts when dissolving Parliament in 2007. This is not a stable democracy.

It is also a country many Russians see as deeply woven into their own history. Anti-Communist dissident Alexander Solzhenitsyn summed up some of the Russian attitude toward Ukraine when he wrote in 1990 that, "All talk of a separate Ukrainian people existing since something like the ninth century and possessing its own non-Russian language is a recently-invented falsehood."

00:40

Robert Mueller's Russia probe heats up

Poland ceded Kiev to Peter the Great in the 1690s. Needless to say, Russia has a much longer history with Ukraine than the United States can claim. Ukrainian membership in NATO periodically comes up, but Ukraine would be one of the most difficult countries for NATO to defend, while contributing little to the alliance, partly because its government is so indebted to the Russian state.

Yes, Putin's government continues to foment pro-Russian unrest and separatism in the Donetsk region. But giving Ukraine some anti-tank weaponry would not meaningfully

deter Moscow's aggression. Russia is a massive land power, with over 20,000 tanks. The Russian state and the Russian public have both proven willing to lose troops in battle over the last two decades of vicious wars in Chechnya. Russia has many economic levers of influence over Ukraine, ones that the West could not help to match without now-unthinkable commitments of political will and ready cash. And sending arms to Kiev would play right into

Putin's narrative of Western meddling, which has been hugely effective in swaying its target audience: Russian-speaking Ukrainians see the U.S. as complicit in overturning a democratic result in 2015, even if their defense of the result is that they cheated to get it fair and square.

Ultimately, Ukraine is of peripheral interest to the United States and Western Europe even if annoying

Russia has incredible appeal right now. Giving it arms, or extending to it a kind of quasi-membership in NATO might irritate Russia, but it would also create a new dependent for the U.S. And it could embolden Ukrainian nationalists to do something foolish, the way that Mikhail Sakashvili jeopardized Georgia in 2007 by acting provocatively once he thought he had the backing of the West.

Punishing Russia is obviously at the top of our leaders' minds. But arming Ukraine would mean escalating tensions precisely where American commitments can do the least good and are not at all credible. There are better ways to get Vladimir Putin's goat. We should consider them, instead.

Michael Brendan Dougherty

INTERNATIONAL

**The
New York
Times**

His Health Crisis Made Public, Palestinian Envoy Pushes On

Isabel Kershner

RAMALLAH, West Bank — Saeb Erekat, a leading voice of the Palestinian cause for decades, now finds himself battling for his own health along with that of the long-ailing peace process.

Both came into sharp focus this week as headlines in the Israeli news media blared that Mr. Erekat, the secretary general of the Palestine Liberation Organization and its veteran chief negotiator, is suffering from pulmonary fibrosis. He is waiting for a lung transplant, most likely to be carried out in the United States or Israel.

That news coincided with a rather bleak assessment of the peace process by Jared Kushner, President Trump's son-in-law and special adviser, as revealed in a leaked audio recording. In remarks that were intended to be off the record, Mr. Kushner told congressional interns on Monday that the administration was still "thinking about what the right end state is" and that "there may be no solution" to the conflict.

In an unusual statement on Tuesday, Mr. Erekat criticized the Trump administration for not articulating support for the two-state solution — the internationally accepted principle for resolving the Israeli-Palestinian conflict since the 1990s — and for failing to compel Israel to cease settlement activity. He described the administration's silence on these issues as an obstacle to a resumption of negotiations.

In an interview in his office in the West Bank city of Ramallah on Wednesday, Mr. Erekat, 62, a passionate and perennial champion of Palestinian statehood, took the opportunity to address his public and personal struggles.

It is no secret that Mr. Erekat, who is still working and meeting with international diplomats, requires oxygen from a mobile tank. And now, it is out in the open that he is waiting for a lifesaving transplant. But after the news exposure this week, he is urging people to respect his privacy and that of his family.

"Israelis and Palestinians are human after all," Mr. Erekat said, expressing both gratitude and shock at the mixed Israeli reactions to his health situation, which reflected all the divisiveness and complexity of this long-running and often bloody conflict.

Many Israeli officials, people involved in the various rounds of failed negotiations and private citizens had called to wish him a speedy recovery and inquire if they could do anything to help, he said. But some of the messages aired on Israeli news sites were scathing, wishing Mr. Erekat a speedy death and mockingly decrying the possibility that he might be saved by the health system of the state he has disparaged.

"A transplant? Forget it," wrote one reader. "But cigarettes are on me."

The Israeli Health Ministry clarified that its waiting list for transplants prioritized Israeli citizens. David Bitan, the outspoken Israeli coalition whip from Prime Minister Benjamin Netanyahu's conservative Likud Party, said in a radio interview on Wednesday: "I am for humanitarian aid, but there is a problem with lung transplants. We can barely manage lung transplants for the citizens of the State of Israel."

"The citizens of Israel are more important than Erekat, in my opinion," Mr. Bitan added. "Moreover, I hear that even inside the hospital he speaks against the state of Israel."

Mr. Erekat said he was not looking for charity.

"I was 12 years old when the Israeli occupation came," he said, referring to Israel's capture of the West Bank and other territories in the 1967 Middle East war. "The majority of Palestinians are treated in Israel, that's normal," he said, adding, "I'm a private patient who covers his bills, whether in the United States, Germany or Israel."

The health system in the Palestinian territories does not stretch to transplants, though a Palestinian donor would be a possibility.

Amid the personal drama and grim prospects for peace, Mr. Erekat refuses to give up on the national goals he has avidly pushed for nearly 30 years. He was a central member of the Palestinian delegation to the Madrid peace conference in 1991, and for years has been a senior Palestinian leader and close aide to Mahmoud Abbas, 82, the Palestinian Authority's aging leader.

"Waiting is the worst option there is," Mr. Erekat said. "I believe the Americans must not wait any more and must announce the endgame," he said. He described that end as two states, Israel and Palestine, living in peace and security on the territorial lines as they were before the 1967 war, with minor modifications along the border to be agreed by the two sides.

Mr. Erekat said he had spoken with Mr. Kushner "more than once" and had held at least 19 meetings since February with American officials. Among them was Jason D. Greenblatt, Mr. Trump's special representative for international negotiations, whom Mr. Erekat described as having good "listening skills."

Mr. Erekat said he was surprised by Mr. Kushner's comments expressing

doubt about a solution, not least because Mr. Kushner had emphasized how serious Mr. Trump was about seeking one.

Mr. Erekat added that administration officials have said "many times" but they have not stated it as their position.

As a next step to rebuild trust, Mr. Erekat said, the Israelis and Palestinians should put their positions on all the issues in writing and then have the Americans merge them according to three categories: agreed areas; areas of disagreement that can be bridged by American proposals; and areas of major disagreement where the sides would have to be brought to the table to make decisions.

The current stalemate comes in a fraught and fragile atmosphere, just days after the de-escalation of the most recent crisis over the delicate arrangements at the Aqsa Mosque compound in Jerusalem, a volatile and contested holy site also revered by Jews as the Temple Mount.

An indication of the continuing tensions came on Wednesday when a Palestinian teenager from the West Bank stabbed a supermarket worker in the back in the central Israeli town of Yavne, seriously wounding him, in the kind of attack that has become almost common over the past couple of years.

Israeli officials have accused Mr. Abbas's Palestinian Authority and the mainstream Fatah Party, among other factions, of helping fan the violence. The Israelis point to inciting messages in the Palestinian news media and on social networks, and also to a lack of clear condemnation of violence from Palestinian leaders.

Israeli leaders have also become reticent about mentioning the two-state solution, and Mr. Netanyahu

has spoken of a “Palestinian state-minus.”

David Keyes, a spokesman for Mr. Netanyahu, said: “Israel has consistently offered to sit with our

Palestinian neighbors for peace talks anytime, anywhere without preconditions. Unfortunately, President Abbas has rejected these many offers and refused to meet

Prime Minister Netanyahu for nearly a decade.”

Mr. Erekat did not respond to a question about conditions for returning to talks. Mr. Keyes had no

comment on Mr. Erekat’s health or Mr. Kushner’s remarks.

THE WALL STREET JOURNAL

Singer : How the Saudis Can Promote Moderate Islam

Max Singer

After 64 years of rule by sons of King Ibn Saud, Saudi Arabia is making a transition to a new generation of leaders. The ailing 81-year-old King Salman decreed in June that his successor would be his 31-year-old son, Mohammed bin Salman, who is already largely running the country.

The challenge of succession has been hanging over Saudi rulers for decades—ensuring that the family’s amazing unity continued beyond the generation of King Ibn Saud’s 50-odd sons. Yet the epochal decision to elevate young Prince Mohammed has—so far, at least—succeeded without creating apparent division.

This presents an important opportunity for long-term U.S. aid to Islamic moderates across the globe. For nearly 40 years the Saudis have conducted an extraordinarily successful program to export their version of radical Salafi Islam. They have spent something like \$4 billion a year on imams and mosques all over the world. This has drastically increased the size of the radical Muslim population. Visible evidence includes the

notable rise in Muslim veils, burqas, beards and other conservative religious dress.

The Saudi program does not teach terrorism or promote terrorist organizations. But it is widely believed to have increased support for Islamists such as the Muslim Brotherhood, which believes Islam must be at war with an infidel West. Saudi funding is not the only cause of this dangerous radicalization, but people familiar with the diverse Muslim world report that it has played a critical role.

The Saudi leadership does not believe that the Islamist war against the West is good for Saudi Arabia. They see the Muslim Brotherhood as their deadly enemy. So why do they spend so much money exporting Wahhabi Salafism? First, after Iran’s 1979 revolution, the Saudis worried that Shiites would dominate Islamic radicalism and felt they needed a Sunni movement to compete. Second, the Saudis’ domestic political position was based on their long-term alliance with powerful Wahhabi clerics, for whom the teaching of Salafism is a religious obligation.

Saudi exportation of Salafism, although somewhat slower and less radical of late, is one reason the Islamist war against the West could become a much more serious conflict. It is unlikely that the Trump administration could induce the Saudis to stop this program. But now that the U.S. is working with the Saudis to counterbalance the Shiite challenge from Iran, new leaders, including Crown Prince Mohammed, may be amenable to modestly scaling back the country’s program of exporting Salafism. These leaders are probably at least somewhat ambivalent already about the effects of the program.

The U.S. should suggest to the Saudis that it would be in the interest of both countries for them to arrange quietly to stop paying for imams or mosques in Indonesia and India. The Muslim communities in these two countries total more than 400 million people—close to a quarter of all the Muslims in the world. So far they have not been radicalized, and their history and culture provide significant sources of resistance to Arab radicalization. But radicals have been making inroads in both countries.

If moderate Islam succeeds in Indonesia and India, it would give reason to be confident that the Muslim world eventually will choose peace and modernization rather than extremism and conflict. These countries can stand as towering examples that Islam can move into the modern world while continuing to be loyal to its beliefs and traditions.

Most people who worry about potential radicalization in Indonesia and India would agree that there is little chance it will happen without large amounts of Saudi money. If the U.S. could convince the Saudis to keep their cash out of Indonesia and India, it would go a long way toward assuring eventual victory for moderate Islam. As Daniel Pipes, director of the Middle East Forum, has argued for many years: “Radical Islam is the problem; moderate Islam is the solution.”

Mr. Singer, a founder of the Hudson Institute, is a senior fellow at the Begin-Sadat Center for Strategic Studies at Bar-Ilan University in Israel.

The New York Times

In Iran, Rouhani Begins 2nd Term With Signs He’s Yielding to Hard-Liners

Thomas Erdbrink

TEHRAN — President Hassan Rouhani, endorsed by Iran’s supreme leader on Thursday with a nationally televised cheek-kiss, is starting his second term under newly intense pressure from both hard-line opponents and many of his own reform-minded supporters.

His brother had to be bailed out from prison after a July arrest on corruption charges that some experts see as political payback for the president’s re-election. A key oil deal Mr. Rouhani negotiated with a French company has led to accusations that he is selling the country off to foreign interests. President Trump has just signed into law new sanctions that undermine the signature achievement of Mr. Rouhani’s first term, the nuclear agreement.

Now, as Iran prepares for his second inauguration on Saturday, some of the forces that helped give Mr. Rouhani a 24 million-vote mandate in May are concerned he

will not fulfill his promise of appointing women and young politicians to his 18-member cabinet, and instead is running nominations by the supreme leader, Ayatollah Ali Khamenei.

“We supported him during the campaign, but now there is no place for us,” said Jila Baniyaghoob, a women’s rights advocate, who said she was informed 10 days ago that there would be no female ministers in the cabinet. “Clearly, Mr. Rouhani does not believe in the capabilities of women,” she added. “This is so disappointing.”

The reform-minded Mr. Rouhani has always occupied a precarious position leading a country that is governed both by a religious ruler and a democratically elected president and parliament. But experts say this is a particularly challenging moment.

Closed in by rivals in Iran’s other centers of power — the supreme leader, influential clergy members and the judiciary — Mr. Rouhani can

steer debate but not call the shots. Mr. Khamenei, who often publicly opposes the president but has supported him behind the scenes on key issues like the nuclear agreement and foreign outreach, is far more interested in economic growth than social change.

In Thursday’s endorsement ceremony, the ayatollah advised the president to “pay attention to the people’s problems, which today are primarily the economy and living conditions.” He also urged Mr. Rouhani to have extensive interaction with the world and to “stand strongly against any domination,” state media reported.

The public pressure on Mr. Rouhani turned personal three weeks ago when his brother, Hossein Fereydoun, was detained by the hard-line judiciary on corruption charges. After a brief court appearance, Mr. Fereydoun was hospitalized, for what has variously been described as high blood pressure or a nervous breakdown.

(The president changed his surname to Rouhani, which means “cleric,” when he became an Islamic cleric.)

When Mr. Fereydoun, a former ambassador to the United Nations, paid the record-high \$13 million bail, some observers said it only proved the accusations because they could not explain such wealth given his career as a diplomat and think-tank chief.

“Rouhani faces serious pressures,” said Fazel Meybodi, a Shiite cleric from Qom who supports change in Iran. “Perhaps too many. And let’s face it, he does not have the final say on many issues.”

One thing that does fall within Mr. Rouhani’s power as president is the formation of his cabinet, scheduled to be presented after the inauguration Saturday. But several reformists said that instead of selecting the ministers personally over the past two months, Mr. Rouhani has been consulting with Mr. Khamenei more than is typical.

Customs prescribe that the supreme leader would weigh in on picking ministers for some sensitive positions, such as the foreign minister and those overseeing intelligence and oil, but not, say, culture, sports, transportation, health and labor. Analysts say Mr. Rouhani decided to involve Mr. Khamenei more deeply as insurance against potential hard-line attacks against the incoming cabinet.

But many of Mr. Rouhani's leading supporters in the May election had hoped the new cabinet would represent a new generation of women, youths and daring politicians, ready to implement Mr. Rouhani's agenda and curb the influence of hard-liners.

Instead, although all the positions are not yet filled, it looks like the ministers will be a delicate mix of older technocrats, don't-rock-the-boat moderates and even some hard-liners. Reformists are now saying the 18 slots will all be filled by men, dashing

hopes built up during Mr. Rouhani's campaign.

"The president referred to 'restrictions' and said that he was unable to use women," Mahmoud Sadeghi, a parliamentarian, told the reformist newspaper Etemaad.

"But he pointed out that women candidates will be used as directors and vice presidents," Mr. Sadeghi added. "He also mentioned that the cabinet may change midway, at which stage, women may be used."

This does not satisfy advocates like Mrs. Baniyaghoob. "We gave a list of capable women," she noted. "Instead again they choose incapable officials, and again women do not get the chance to gain governing experience."

The deeper involvement of Mr. Khamenei in the cabinet picks comes amid resistance from hard-liners to nearly every move Mr. Rouhani has made since his re-election in May.

The supreme leader himself criticized the president over his cultural policies, saying that his government is too lenient toward what Mr. Khamenei calls "Westernization." Clerics denounced Mr. Rouhani's signing of a multibillion-dollar deal with the French oil company Total, saying he should be investing in the nuclear program instead.

Mr. Rouhani has also had public fights with the Revolutionary Guards, whom he has called an alternative "government with guns."

Many of those who campaigned for Mr. Rouhani this spring in sweaty stadiums and posted pictures online of themselves in purple, his signature color, are now worried the president will choose pragmatism over promises.

One such supporter is Leili Rashidi, a popular actress, who could hardly make her voice heard among the thousands of hopeful youths shouting for more freedoms at a

rally in May. Among the chants were demands for the release of opposition leaders; they remain under house arrest.

"They were so many people, so full of energy, we all felt that we will be able to achieve change," Ms. Rashidi recalled in an interview this week. "I am worried that if people are disappointed there might be a backlash."

Mr. Meybodi, the reform-minded cleric, said Mr. Rouhani is like politicians everywhere, who promise change during elections.

"There is one positive point: at least the hard-liners didn't win the elections," he added. "In that case, we'd be much worse off."

The Washington Post Iran calls new U.S. sanctions a violation of nuclear deal

ISTANBUL — U.S. sanctions targeting Iran are a breach of its nuclear deal with world powers and an attempt to abolish the accord, Iranian officials said Thursday, adding that the government will respond to what it sees as an escalation of U.S. aggression.

"We believe that the nuclear deal has been violated, and we will react appropriately," Deputy Foreign Minister Abbas Araghchi said on state television Thursday.

The deal curbed Iran's nuclear activities in exchange for the removal of some sanctions, while the new measures target anyone involved in Iran's ballistic missile program and its powerful Revolutionary Guard Corps.

The "belief in Washington is that . . . Iran must be put under pressure," Araghchi said. And the goal of the new sanctions, signed by President Trump on Wednesday, is "to destroy" the 2015 agreement so that Iran will withdraw.

The administration has criticized the deal for its narrow focus on the nuclear program, without addressing issues such as Iran's support for proxy militias and its growing ballistic missile arsenal. Trump has questioned the "utility of the agreement," Secretary of State Rex Tillerson said in remarks at the State Department on Tuesday.

The "agreement dealt with a very small slice of Iran's threats," Tillerson said. "It was kind of like we

put blinders on and just ignored all those other things."

But even as the United States ramps up pressure on Iran — including threats to leave the pact — officials in Tehran have moved cautiously in response, weighing the cost of potential conflict with the benefits of remaining part of the deal.

Before the agreement, which ended the country's isolation, Iran probably would have balked at calls for diplomacy. As a regional power, it has defied the international community, building up missile defense and backing proxy forces across the region.

[Power struggle escalates between Iran's president and hard-liners]

But under the nuclear deal, Iran has rejoined the global economy and is now keen to avoid blame for the collapse of the agreement. Trump recently certified Iran's compliance with the deal, an authorization he is required to make to Congress every 90 days, but has suggested he may not do so again in the fall, without saying why.

"President Trump made clear that, in terms of the fate of the nuclear deal, the administration's latest certification of Iranian compliance was only a temporary reprieve — a stay of execution," said Robert Malley, who served as the White House coordinator for the Middle East under President Barack Obama.

So far, Iran "has appeared content to sit back and allow the [Trump] administration to further isolate itself" on the nuclear deal, said Malley, who is now vice president of policy for the Brussels-based International Crisis Group. "But that calculus could change."

Iran, experts say, could continue to adhere to the agreement and seek assurances from Europe and Russia that they would refuse any U.S. attempt to renegotiate. The European Union has countered Trump's calls to ditch the accord, reminding the administration that it belongs to the international community.

If the White House decided to declare Iran noncompliant, it would probably be based "on little to no valid evidence," said Richard Nephew, former coordinator for sanctions policy at the State Department.

But Iran could still push the technical limits of the deal with "small incremental steps that restart its nuclear program," he said.

It could also restart all of its nuclear activity, which it says is for peaceful purposes, or use its military assets or proxy forces to strike U.S. interests in the region.

Iran and the United States have skirmished in the waters of the Persian Gulf, where the U.S. Navy stations its 5th Fleet. American forces and militias loyal to Iran also fight in proximity in Iraq and Syria, where they are both battling the Islamic State.

"Having Iranian proxies take aim at the U.S. presence in Iraq or Syria could trigger powerful U.S. retaliation, which quickly could snowball," Malley said.

[The United States and Europe are on a collision course over Iran]

According to Ali Vaez, senior Iran analyst at the International Crisis Group, rising tensions "could push Iran to double down on means of deterrence it considers essential to its national security," including missile defense and support for regional proxies.

Last week, Iran successfully fired its satellite-carrying Simorgh launch vehicle into space, prompting the U.S. Treasury Department to come back with more sanctions.

Iran's parliament, reacting to the sanctions bill as it made its way through Congress, recently fast-tracked funding for the country's ballistic missile program and Revolutionary Guard Corps.

According to Abbas Aslani, world news editor at Iran's privately run Tasnim news agency, Iran "will not violate" the nuclear agreement but neither will it "abandon or compromise on its defense capabilities, including the missile program."

Iran's hard-liners, many of whom opposed the deal as one that granted too many concessions, may use the tensions to press for some sort of retaliation. The deal was negotiated under Iranian President

Hassan Rouhani, a moderate recently elected to a second term.

He fired back at domestic critics Thursday at a ceremony marking his formal endorsement by Iran's supreme leader, Ayatollah Ali Khamenei, who has the final word on all matters of the state.

**The
Washington
Post**

The UAE's hunt for its enemies is challenging its alliance with the United States (UNE)

DUBAI — As a vicious civil war erupted in Yemen two years ago and triggered international alarm, the United States warned the combatants to step back. But its efforts were quietly undermined by one of the most trusted U.S. regional allies: the United Arab Emirates.

Hundreds of people had died in battles and airstrikes. But the UAE, part of a Saudi Arabia-led military coalition that is supported by the United States, encouraged its partners to resist then-Secretary of State John F. Kerry's appeals for peace talks or a cease-fire.

"Yemenis should be firm, as the secretary is a persuasive speaker," Mohammed bin Zayed al-Nahyan, a senior Emirati leader, told Yemen's prime minister as Kerry headed to the region in May 2015. The Gulf Arab states also should "stand firm," the prince said, according to a meeting summary that was part of leaked Emirati diplomatic emails shared with The Washington Post.

The meeting hinted at the UAE's drive for influence across the Middle East, using military power, diplomacy and covert means to bolster allies and counter rivals. Its role in Yemen and other recent actions has caused friction with the United States, complicating their decades-long military relationship.

Already, the UAE's rise as a top-tier U.S. military ally had set it apart from other Arab nations, enhancing its outsize ambitions and regional clout. Now, the two nations appear poised to expand their partnership even further under President Trump, as his administration's "America First" doctrine translates into a more aggressive stance against Iran and an expanded campaign against al-Qaeda militants on the Arabian Peninsula.

Admiring U.S. generals, including Secretary of Defense Jim Mattis, refer to the UAE as "Little Sparta" and call it a model for how regional

Today's WorldView

What's most important from where the world meets Washington

Iran survived some of the toughest sanctions "through a combination of the power of diplomacy and deterrent defensive power," the Associated Press quoted Rouhani as saying. During his second term, Iran will "insist on constructive engagement more than before."

allies could reduce the counterterrorism burden on the United States.

But tensions in the alliance were brought to the fore last month when American intelligence officials said that the UAE had orchestrated the hacking of a Qatari government website — a move that inflamed a longtime rift between America's Persian Gulf allies and thrust the White House into the uncomfortable role of mediator.

UAE and American interests have also diverged in Libya, where U.S. officials complained that the UAE was thwarting peace efforts. Yemen's brutal conflict has exposed the United States to accusations of complicity in war crimes because of its support for the UAE and its gulf allies.

"The danger of creating an independent military capability is that you create an independent military capability," a former senior U.S. official said. "It's great that we have a partner in the Emiratis, but we don't always see eye to eye."

[UAE orchestrated hacking of Qatari government sites, according to U.S. intelligence officials]

An enthusiastic buildup

In 1981, just a decade after the UAE became independent, Mohammed bin Zayed al-Nahyan, who later would become the crown prince of Abu Dhabi, flew to Washington with grand ambitions of buying U.S. fighter jets that would bolster the military capabilities of the oil-rich monarchy and transform his country into a global power. Instead, he "felt that he was laughed out of town," a former U.S. diplomat said. "No one knew about the UAE. Who was this kid?"

In the years that followed, the UAE began sending troops to Western-backed conflicts, including the 1991 Persian Gulf War, Somalia, the Balkans and Afghanistan. The kingdom is building out a series of bases in Africa that will give it even greater military reach.

But it is unclear how long Rouhani will maintain his pro-diplomacy rhetoric, which has already "become increasingly more critical of the Trump administration," said Farzan Sabet, a fellow at Stanford University's Center for International Security and Cooperation.

Still, conflict between the United States and Iran is "not preordained," Malley said, and both sides could back down.

The Emiratis have also embarked on an extended spending spree. In addition to obtaining F-16s, they were the first U.S. ally to acquire a THAAD, a sophisticated missile defense system. They are now hoping to buy F-35 Joint Strike Fighters, the Pentagon's most advanced fighter aircraft, which cost \$100 million apiece.

Andrew Exum, who served as the senior Pentagon official for Middle Eastern issues until this year, said sophisticated weaponry is not the UAE's biggest military asset. "What distinguishes them is the diligence with which they have gone about investing in all of the unsexy things" needed to build a capable military, he said, including logistics and training.

Emirati officials say it was the perceived threat from Iran that jump-started their drive to build a modern military and test their forces beyond their borders. They also have seen the need to counter the Islamist Muslim Brotherhood and any political or armed groups they see as an extension of that movement.

"It really has to do with geography and the threats we grew up with from day one," said Yousef al-Otaiba, the UAE's ambassador to the United States and a central figure in the country's successful U.S. lobbying efforts. Otaiba, a tireless promoter of the view that the UAE is a stabilizing force in the Middle East, has made inroads with key Trump administration officials, including Jared Kushner, the president's son-in-law and adviser.

But the Emirati view of stability, its critics say, has included a troubling embrace of autocratic leaders who share its antipathy to Iran or Islamists and its intolerance of any political dissent.

[How a 91-year-old imam came to symbolize the feud between Qatar and its neighbors]

That stance has created headaches for the United States, including in Libya. While Emirati pilots played a

"But that means that the survival of the nuclear deal and avoidance of military conflict depend on the Trump administration showing restraint and the Iranian regime displaying wisdom," he said. "Given what we know of the two, what are the odds of that?"

central role in the 2011 intervention that toppled Moammar Gaddafi, U.S. officials grew frustrated in the years that followed as the UAE, along with Egypt, quietly provided military and financial support to Gen. Khalifa Hifter, a powerful figure who led a violent campaign against Islamist forces, including militants. That support violated a United Nations arms embargo.

U.S. officials also saw Hifter as an obstacle to a political solution. The last straw was a major shipment from the UAE of armored and other vehicles to Hifter that drew a stern response from the administration of Barack Obama.

"What we want in Libya is a stable, secular government," Otaiba said. "It's the same thing we want in Syria; it's the same thing we want in Yemen. Secular."

Quicksand in Yemen?

Within days of his May 2015 visit, Kerry was able to secure a pause in the fighting in Yemen. But like other cease-fires since, it crumbled after a few days.

More than two years later, thousands have been killed by coalition airstrikes, artillery shelling and gunfights. Millions of Yemenis are threatened by starvation and disease, including a cholera epidemic.

Talk of a political solution has grown faint.

The UAE joined the Saudi-led coalition after a Shiite rebel group known as the Houthis ousted Yemen's government. The UAE, like its Saudi partners, viewed the Houthis as an Iranian proxy force — a characterization that American officials at the outset of the war said was exaggerated.

Some in the Obama administration also warned their gulf allies that the intervention was ill-conceived, according to Robert Malley, the former White House coordinator for the Middle East, North Africa and the gulf. Eager to smooth things

over with Gulf nations angered by Obama's nuclear negotiations with Iran, administration officials decided to give the Saudi-led effort military support, but hoped to minimize U.S. involvement and accelerate a political settlement, he said.

"We feared that this was not a war that was destined to end quickly," Malley said. "The region has had ample experience with nonstate actors like the Houthis — clearly inferior militarily, yet prepared to fight on and unwilling to give in." The Saudi-led coalition risked getting "dragged in more and more, at great humanitarian cost," he said.

Privately, Emirati officials seemed worried, too. With Western media coverage "primarily" focused on Yemen's humanitarian crisis, the UAE was "losing the moral high

ground fast," Otaiba wrote to a colleague in July 2015, according to hacked emails distributed by a group apparently sympathetic to Qatar, the UAE's rival.

The Trump administration, appearing to prioritize pushing back against Iran over reservations about the conflict, is now weighing deeper U.S. involvement.

The UAE has taken a leading role in combating al-Qaeda in the Arabian Peninsula (AQAP) in Yemen — a U.S. priority. In 2015, Emirati forces proved their ability to plan and execute a major operation, acting against U.S. warnings when they mounted an amphibious assault to capture the southern city of Aden from Houthi forces.

But the UAE's stewardship of the south has been troubled.

A feud between UAE-backed southern separatists and the Yemeni government, which is based in Saudi Arabia, may complicate a settlement of the war. The UAE has also supported ultraconservative Sunnis known as Salafists, undermining its talk of a "secular" region.

The Yemen operation has illustrated the risks to the United States in backing, even indirectly, operations by foreign forces.

Reports by the Associated Press and Human Rights Watch in June alleged that the UAE or forces loyal to it maintained a network of secret prisons in southern Yemen. Witnesses told the AP that in at least one of the facilities, where detainees were being tortured, U.S. forces were present.

Emirati officials denied they maintained secret detention centers or tortured prisoners. U.S. officials told the AP that military leaders looked into the allegations and were satisfied that U.S. forces were not present when any abuses occurred.

Ryan Goodman, a former Pentagon official who teaches law at New York University, co-authored a recent report that concluded that the United States, because of its support for UAE operations in Yemen, may hold legal responsibility for illegal detention practices.

"Is this really a productive way of achieving the long-term goal of combating AQAP or ensuring stability in Yemen?" Goodman wrote.

THE WALL STREET JOURNAL

Qatar, Facing Gulf Isolation, Takes Steps to Boost Economy, Security

Nikhil Lohade and Asa Fitch

DUBAI—Qatar, isolated by its Arab neighbors in an intensifying diplomatic standoff, is accelerating efforts to bolster its economy and security.

The gas-rich country approved a draft law that will grant permanent residency to some foreigners, such as highly skilled workers, the official Qatar News Agency reported late Wednesday. That is an unprecedented move in the Gulf region, aimed at making tiny Qatar a more attractive destination for expatriates vital to its development.

Also on Wednesday, Qatar's foreign ministry announced the conclusion of a deal it initially signed in June last year to buy seven Italian naval vessels worth nearly \$6 billion, buttressing its military capabilities.

Sheikh Tamim bin Hamad al-Thani, Qatar's ruler, has directed the government to focus on strengthening sectors important to the country, the QNA said, as it copes with its worst diplomatic crisis in decades.

Saudi Arabia, the United Arab Emirates, Bahrain and Egypt in June abruptly broke diplomatic and some commercial ties with Qatar, accusing it of sheltering and supporting Islamist groups like the Muslim Brotherhood and Hamas,

and citing its alleged links to terrorist groups like al-Qaeda. Saudi Arabia and its Sunni Muslim allies are also critical of Qatar's cordial ties with Shiite Iran, their biggest rival for power and influence in the Middle East.

Despite Qatar's small size—its population is around 2.26 million, only 12% of whom are Qatari citizens—it has sought to bolster its political significance by serving as mediator in regional disputes. That move, however, has alienated neighbors who don't accept its tolerance for hostile parties for the sake of diplomacy.

Facing a prolonged boycott, Qatar has sought to leverage its ties with Western allies to help resolve the Gulf crisis, which is also hurting its economy.

The Saudi-led alliance's transport ban disrupted the tiny Gulf state's trade routes, impacting vital imports such as food and construction material. Qatar's only land border is with Saudi Arabia, while it also routed a big chunk of its goods through ports in the U.A.E. Its flag-carrier Qatar Airways has been forced to reroute flights to bypass the airspace ban, adding time and costs.

Analysts tracking Qatar's economy say imports contracted by 40% year-over-year in June, citing Qatar's

trade data, weighing on its non-oil economy.

"We believe that the impact would have been particularly strong in June, given the time needed to reroute imports," said Monica Malik, the chief economist at Abu Dhabi Commercial Bank.

To cope with the transport ban, Qatar has opened new trade routes, for instance via Oman's ports and Iranian airspace, and is inking deals with new suppliers from countries such as Turkey.

Qatar's imports will likely normalize in the coming months as those measures become effective, but they will come at a higher cost and prolong transportation times, Ms. Malik said.

Doha this week lodged a formal complaint with the World Trade Organization challenging the Saudi-led group's trade boycott.

Qatar's ruler has also asked officials to expedite the adoption of new measures that will help attract investments and diversify the economy, the QNA said.

The draft law says foreigners married to Qataris, those who have performed great services to the country and people with special skills will be eligible for permanent residency.

It is unlikely to include hundreds of thousands of blue-collar workers—mainly from South Asian countries like India, Nepal and Pakistan—many of whom are employed by construction companies and paid as little as a couple of hundred dollars a month. Doha, like many of its neighbors, is investing billions in building infrastructure. It also hosts the soccer World Cup in 2022.

Such a law has been considered by other Gulf states. But its implementation is likely to be slow as it will change the region's longstanding social contract.

Italy's Fincantieri is set to build seven ships for Qatar starting next year under the terms of the contract signed in 2016. They include four 100-meter corvettes, two patrol boats and an amphibious warfare ship with a landing dock.

The ships would give a significant boost to Qatar's navy, which currently consists largely of small patrol boats and fast attack craft. In preparation for the ships' delivery, the Qatari and Italian navies agreed in March to train Qatari sailors in Italy.

Italy's Foreign Minister Angelino Alfano said his country is calling for de-escalation of the Gulf crisis, and the need to pursue diplomatic means to solve it.

THE WALL STREET JOURNAL

Editorial : Trump's Afghan Choice

The Russia election probe aside, President Trump has so far avoided any major foreign-policy mistakes. But he will commit an Obama-sized blunder if he

overrules the advice of his generals who want a modest surge of forces and a new strategy in Afghanistan.

Mr. Trump had by all accounts agreed weeks ago to the Pentagon's request for an additional 3,000-

5,000 troops plus more aggressive use of air power and other assets. But he's having second thoughts as he indulges his isolationist instincts fanned by aide Stephen Bannon. Mr. Trump's decision will determine

whether he'll repeat Mr. Obama's catastrophic 2011 withdrawal from Iraq, and it will echo among allies and adversaries for the rest of his Presidency.

Mr. Trump—like all Americans—is understandably frustrated that the Afghan war still isn't won after 16 years and 2,400 American lives lost. Barack Obama undermined his own 2009 surge of troops with a fixed exit date, and then tried to time the departure of all U.S. troops to his own White House exit.

This told the Taliban to wait the U.S. out, and the insurgents have since regained much ground they lost during the surge. Mr. Obama recognized his mistake enough to keep 8,400 troops in the country, but he limited their duties mainly to training and pursuing Islamic State enclaves. We're told there are only about a dozen F-16s in the country, and the Afghan military lacks crucial close-air support during Taliban engagements.

Mr. Trump has given his field commanders more freedom, and they can now pursue Taliban fighters. But the Afghan forces are still losing ground in much of the country and need more support. Defense Secretary Jim Mattis's plan would inject U.S. advisers with Afghan battalions to assist on the battlefield.

The U.S. could also deploy some Apache attack helicopters to blunt Taliban advances, and close-air support and air evacuation assistance would give Afghan forces a dose of confidence. They're certainly willing to fight, having lost 2,531 soldiers through May 8 this year alone, with 4,238 wounded. The U.S. has lost 10 soldiers in Afghanistan this year.

Mr. Mattis also needs a strategy for Pakistan, which provides a refuge for the Taliban and lethal Haqqani network. This may require cross-border U.S. military raids, ideally with Pakistani cooperation, but alone if necessary. Mr. Trump could help by naming an ambassador to Islamabad, and perhaps a special envoy like former General David Petraeus to all of the main regional players.

Mr. Trump is fond of saying around the White House that Afghanistan is "the graveyard of empires," which might be relevant if the U.S. were running an empire. The U.S. is there at the request of a legitimate elected government and a population that doesn't like the Taliban. A Trump troop mini-surge would be a crucial

political signal to the Afghan government and regional players that we aren't bugging out.

The U.S. won't be there forever, but it does need to be there long enough to prevent the country from reverting to a jihadist safe haven. The Taliban are joined by Islamic State and al Qaeda, and if we were to pull out they might depose the government in Kabul.

As a political and strategic matter, Mr. Trump would own that result as Mr. Obama did the rise of Islamic State. The pictures of Taliban marching into Kandahar and Kabul and tearing down the schools for women that the U.S. has done so much to support wouldn't be pretty. The panicked evacuations and mass killings wouldn't help the image Mr. Trump wants to project of a strong leader.

The strangest analysis of late is that Mr. Obama's 2011 withdrawal from Iraq was ultimately a success because it forced Iraqis to unite to repel Islamic State. Yes, and smokers tend to stop after they get lung cancer.

But what a fearsome price Iraq and the U.S. have paid for that abdication. Iraq lost a quarter of the country, tens of thousands were killed, and major cities were turned to rubble. The U.S. had to re-engage militarily and devote four years breaking Islamic State's caliphate while even its temporary success inspired jihadist attacks around the world, including the U.S.

Mr. Trump may chafe that he has to spend more money and political capital on Afghanistan, but U.S. Presidents can't withdraw from national commitments without consequences. North Korea, Russia, China and Iran are sizing up the President in these early months to determine how much military or territorial expansion they can get away with.

Walking away from Afghanistan, or overruling his generals to satisfy the isolationism of his political base, would show that he's more like Barack Obama than he wants to admit.

**THE WALL
STREET
JOURNAL**

In Afghan Debate, Is There a Lesson in the 2011 Pullout From Iraq?

Yaroslav
Trofimov

stopped the extremist group's blitzkrieg.

As President Donald Trump's administration weighs how to handle Afghanistan's chronic war, looming large is the question of what is the right lesson of the 2011 U.S. withdrawal from another conflict: Iraq.

Was it a strategic failure—or a step that, over the long term and at significant cost, forced the Iraqis to assume responsibility for their own war? And if so, can this experience be replicated in Afghanistan?

In 2014, as Islamic State surged to the doorstep of Baghdad and the Iraqi army collapsed, it seemed to many that the American pullout was a catastrophic mistake that enabled international terrorism.

Now that reinvigorated Iraqi security forces have rolled back most of Islamic State's gains, this perspective isn't as clear-cut—even taking into account the war's huge human toll.

After all, in the absence of American backup, Islamic State's existential threat forced a strong immune response from the Iraqi body politic.

The Popular Mobilization Forces that sprang up from Shiite militias in 2014, after a call to defend the homeland by top Iraqi Shiite cleric Grand Ayatollah Ali al-Sistani,

Then, quarreling Iraqi political factions came together. The Kurdish regional government in the north ushered in unprecedented security cooperation with Baghdad and the rebuilt Iraqi army. Defeating Islamic State became an Iraqi rather than an American war.

"The American withdrawal put Iraqis in front of their own challenges and they realized that they have to resolve these problems on their own," said Iraqi lawmaker Dhiaa al-Assadi. Mr. Assadi heads a parliamentary bloc of supporters of Moqtada al-Sadr, a populist Shiite cleric whose militias used to fight U.S. troops before 2011.

True, the U.S. and other Western allies had to send troops back to Iraq, mostly in an advisory capacity, in 2014. They are, however, viewed very differently these days. Even the once-hostile Shiite militias consider them, however reluctantly, de facto allies.

So, as the White House debates its options in Afghanistan—ranging from a significant troop increase to a full withdrawal—to what extent are Iraq's experiences applicable to the Afghan conflict? Could the Afghan state, left to its own devices at least for a time, also transform the battle against the Taliban into a national and popular struggle?

The answer is, most likely, no. America's Afghan war, now 16 years long, is different from the Iraqi conflict in many crucial respects. And that is not just because Afghan President Ashraf Ghani, unlike Iraq's leader six years ago, wants an American military presence to continue for as long as possible.

While the Iraqi insurgency raged within the country's Sunni minority, Afghanistan's Taliban are drawn mostly from the country's dominant ethnic group, the Pashtuns.

And the Taliban keep advancing despite the presence of nearly 9,000 U.S. troops. While U.S. casualties in Afghanistan are relatively rare nowadays, they still occur: On Wednesday, the Pentagon said two U.S. troops died in Kandahar. Unlike oil-rich Iraq, Afghanistan can't pay for its own military and requires several billion dollars in Western assistance every year.

Add to this a political class that is even more corrupt and riven by infighting than the Iraqis in 2014, and it becomes clear that removing the American backstop would likely precipitate a rapid and inevitable collapse of the Afghan state, former and current Western officials say.

"Withdrawing and daring the Afghans to 'step up' when they cannot without U.S. support is a recipe for disaster," said James Cunningham, a former U.S.

ambassador to Kabul and a nonresident fellow at the Atlantic Council think tank.

In Iraq, he added, "victory" depended on circumstances that are particularly Iraqi and the destruction of a major city. The circumstances in Afghanistan are different and collapse of the government and reversion to chaos will not be easily reversed, if at all."

That is one of the reasons why America's North Atlantic Treaty Organization allies, even though many of them pressed for an end date to the Afghan military mission five years ago, have since accepted the open-ended deployment. That is especially so given the emergence of Islamic State's regional affiliate in parts of Afghanistan.

Compared with Afghanistan today, "Iraq was far more stable at the time of the U.S. withdrawal, and it still collapsed," said Vali Nasr, dean of the School of Advanced International Studies at Johns Hopkins University and a former State Department adviser on Afghanistan. "Afghan national security forces don't look like they have the capacity to take on the Taliban and ISIS. They are losing ground even with U.S. troops there and will lose even more ground without U.S. troops."

While a military victory against the Taliban isn't in the cards anytime

soon, the relatively small U.S. presence in Afghanistan prevents the fall of Kabul and other main cities. Considering the failure of past military surges to permanently alter the situation on the ground, such a

stalemate may be the best possible outcome.

"The overall lesson in the region as a whole and its various parts is we can neither pivot out of it, nor go in

massively to fix it definitively," said James Jeffrey, a former U.S. ambassador to Iraq who is a fellow at the Washington Institute for Near East Policy. "Rather, we have to

deal with it on a long-term basis like a chronic illness."

THE WALL STREET JOURNAL

Donald Trump Is Pressed to Send More Troops to Afghanistan

Dion Nissenbaum

WASHINGTON— President Donald Trump's top national-security advisers are searching for a way to overcome the commander-in-chief's reluctance to send thousands more troops to Afghanistan as divisions on the National Security Council complicate strategy for the 16-year-old war, officials said.

The president's reluctance to embrace an open-ended commitment has resurrected discussion of other options, including proposals to scale back the U.S. military presence in Afghanistan or to hire private contractors to play a bigger role. Top Trump administration officials met to discuss the options Thursday after Mr. Trump asked his team for alternatives, according to current and former Trump administration officials.

The search for a strategy for Afghanistan comes amid upheaval at the NSC following the removal of three staff members by H.R. McMaster, the national security adviser. The three officials were hired by his predecessor, Mike Flynn, before he was forced to resign after 24 days in the post.

The removals were welcomed by supporters of Mr. McMaster who saw the three as disruptive in pushing some unorthodox ideas

backed by the president. The moves were decried by allies of the three as a purge designed to rid the team of Trump loyalists.

The most recent person removed was Ezra Cohen-Watnick, the body's senior director of intelligence programs. Mr. McMaster had previously sought to remove Mr. Cohen-Watnick, who served on Mr. Trump's transition team, but the move was blocked by the president, one administration official said.

This week, after John Kelly took over as chief of staff and sought to impose new order in the White House, Mr. McMaster removed Mr. Cohen-Watnick. Mr. McMaster informed Mr. Kelly before taking the step and the new chief of staff didn't object, according to a second administration official. A third administration official said that the move was a signal that Mr. Kelly had no plans to micromanage staff. Last week, Mr. McMaster removed Derek Harvey, the top Middle East adviser. Late last month, he removed Rich Higgins, the director of strategic planning.

On Thursday, administration officials said the staff shake-up had stoked internal divisions at the council, which is spearheading the push to develop a new strategy for Afghanistan. "It's a live-fire zone here," said one Trump administration official.

Mr. McMaster is viewed with suspicion by some Trump appointees who view him as a defender of the status quo unwilling to embrace unconventional ideas, administration officials said, and a wide array of conservative commentators criticized the moves. Breitbart News, the website once led by Trump chief strategist Steve Bannon, published a series of stories on Thursday criticizing Mr. McMaster's leadership.

The staff moves triggered stories in conservative forums that cited specific staff members as being on a list to be fired by Mr. McMaster. To allay their fears, Mr. McMaster called the staff members on Thursday to assure them they weren't going to be fired and urge them to stay focused on their good work, said the second administration official.

Defense Secretary Jim Mattis had hoped to have a new Afghan strategy in place by mid-July, but White House talks bogged down as Mr. Trump challenged the need to send more U.S. forces into a fight with no clear plan for success, the officials said.

At a meeting last month with his national security team, Mr. Trump questioned the leadership of Gen. John Nicholson, the Kabul-based commander of U.S.-led forces in Afghanistan, the officials said. The president's criticism, reported first by

MSNBC on Wednesday, drew a brusque response on Thursday from Sen. John McCain, (R., Ariz.).

"Our commanders-in-chief, not our commanders in the field, are responsible for the failure in #Afghanistan," Mr. McCain said in a tweet.

Others in Congress said they were concerned delays imperil efforts to turn things around in Afghanistan.

The risks in Afghanistan are ever-present. On Thursday, a suicide bomber in Kabul killed one member of the U.S.-led military coalition. On Wednesday, two U.S. service members were killed in a suicide bombing in southern Afghanistan.

Mr. Mattis has said that the U.S. is "not winning" the war in Afghanistan, and Gen. Nicholson has asked the Trump administration to send several thousand more troops to Afghanistan, where more than 8,400 U.S. service members are currently advising and training Afghan forces.

Trump administration officials have been working for months on a broad, South Asia strategy that aims to put more pressure on Pakistan to crackdown on extremist sanctuaries and enlist countries like China and India in a regional peace plan.

—Eli Stokols



The Downfall of Nawaz Sharif and the Triumph of Stupidity

Mosharraf Zaidi

Yet another prime minister fell in Pakistan last week, marking the sixth elected leader to fail to serve out his five-year term since 2002. This time, it was perennial political survivor Nawaz Sharif, in his third go-round on the post. Deposed by an army general in 1999 and fired by the president in 1993, Sharif is no stranger to the political wilderness — he has braved it twice and come back stronger both times.

His latest troubles however may be decidedly more serious. The legal basis for his disqualification is being contested by his supporters on several grounds. But the core failure to disclose receivable assets from a foreign company is uncontested. Sharif may never be able to hold public office in Pakistan again.

Given Pakistan's history of military dictatorship, there have been natural questions about what lies behind Sharif's ouster. The fates of plenty of Pakistani prime ministers have been tragic. Founding father Liaquat Ali Khan was assassinated in 1951; Zulfikar Ali Bhutto was deposed by a military dictator and hanged in 1979; and his daughter, Benazir Bhutto, was murdered by terrorists in 2007. But Sharif's exit isn't tragic, unless we count hubris and incompetence as tragedy. Nor, alas, is it a blow against Pakistan's rampant corruption.

Sharif failed to make a credible case both in the law courts and in the court of public opinion. When the Panama Papers first came out, naming members of his family as holding offshore wealth, Sharif could have plotted a course that would not only have preserved his tenure as

prime minister but also secured better financial disclosure and transparency in Pakistan.

Instead, he chose a perplexing strategy of playing the victim, deploying his anointed successor (his daughter Maryam) to manage an offense-first media strategy and using surrogates to suggest to anyone who would listen that the army was once again plotting to get rid of him. Perhaps this would have been a fine approach to take in the 1990s, when leaders like Sharif enjoyed a relative monopoly over information. It was suicidal in 2016-2017, with each clumsy statement, every legal misstep, and each demonstration of haughty self-importance picked apart by Pakistani millennials, both in newsrooms and on smartphones across the country.

The case against the Sharifs was buttressed not by the evidence brought against them by petitioners involved in the case but by the incredibly incompetent presentation of facts by the Sharif family in the courts, in parliament, and in the public sphere. It wasn't the corruption that got Sharif so much as the cover-up, and that has meant that the focus has been squarely on him and his clan — and not on plugging the holes in Pakistan's vast and leaky public sector. Like the drama unfolding in Washington, there have been a host of supporting actors in this political thriller — including representatives of the military and intelligence services on the Joint Investigation Team (JIT) that helped unearth some of the financial dirt that has been used to tar and feather the Sharifs.

At each stage, however, the rocket fuel that powered Sharif's crash landing was his own incompetence

At each stage, however, the rocket fuel that powered Sharif's crash landing was his own incompetence, stemming from his original failure to properly declare his income and assets to the electoral commission. This was followed by a perplexing decision to claim victimhood, followed by comical differences between his official account and that of various relatives. A laughable effort to explain the family fortune through contacts in Middle Eastern royalty has further eroded his credibility.

But neither the Sharifs nor their tormentors in the political opposition nor the JIT has made any effort to expand the debate about how to genuinely reform the public sector. There has been no debate about ending the highly litigious culture in which the poor must suffer the burden of so-called justice while the rich often evade it. Sharif's disqualification has everything to do with Sharif himself and the fights between him and his equally power-hungry opponents. It has little to do with wider questions of justice or fairness or corruption.

Yet there is a silver lining. While this isn't an end to Pakistani elites' corruption, it's not a blow to democracy either. Sharif loyalists will be at pains to pretend that the ruling strikes at the heart of representative government. The truth is that

Pakistan's voracious and frequently interrupted democracy has sprawled and flourished in the last decade. Elements of that democracy have been on display throughout the Sharif case.

First, regulatory freedoms and technological progress have created a media that ranks as among the freest in the Muslim world and possibly beyond. Religion remains dangerous territory, but politically, virtually anything is fair game. Pakistani news channels, newspapers, and social media are rife not only with real stories of political corruption but also fake ones. The public eye in Pakistan today is an unforgiving, untiring beast that never sleeps. Some of the most relentless probing of the Sharifs did not take place in the court of law but on an array of nightly news channels — some with an anti-Sharif agenda that dates back to much before the Panama case and some borne out of a genuine disgust with the way Sharif handled the situation.

Second, the 2013 election saw the entry of the Pakistan Tehreek-e-Insaf (PTI) into the country's political mainstream. For decades, Pakistan veered dangerously toward becoming a two-party democracy in a system not built for it, with Benazir Bhutto's Pakistan Peoples Party and Sharif's Pakistan Muslim League. The PTI represents a valid third force in democratic Pakistan. Led by Imran Khan, a hugely popular and narcissistic former cricketer hero,

the PTI has mobilized millions of young urban voters and changed the political culture for good (or bad, depending on your allegiances). It was the PTI's pointed threat of agitation to pursue corruption allegations related to the Panama Papers leak that forced the Supreme Court to step in and tackle the case.

And that brings us to perhaps the most crucial factor — a muscular and empowered judiciary. Between 2007 and 2009, the political parties that are squabbling for power today came together to help reinstate a chief justice deposed by former military dictator Pervez Musharraf. That hard-won judicial independence has been hard at work since, with the Supreme Court going from strength to strength, activist justices being balanced out by less proactive ones, and judgments that have earned accolades at home and abroad.

In decades past, the Supreme Court might not have had the gall to dismiss a sitting prime minister; last week, the bench axed Sharif with a unanimous 5-0 verdict. Critics are now rightly calling for the same ferocious independence to be applied to cases in which other politicians are vulnerable to disqualification and in which other officeholders of the state, including judges and army officers, are held to account. But, for starters, the scalp of a prime minister with a substantial mandate is not a bad beginning.

The one oft-employed (and often legitimate) explanation for big political events in Pakistan is the machinations of the ever powerful military establishment, and Sharif's allies are already blaming the army. But Sharif can't pin the guilt on the generals. The military didn't need to cut him down to size because in four years he had done very little, if anything, to challenge its primacy on important issues like India and Afghanistan. Also, the military did not fabricate the Panama Papers nor did it force the Sharifs to present a mind-numbingly poor legal defense of their ill-begotten wealth.

The fact is that while Sharif's dismissal will no doubt cause elation among many in Pakistan's powerful security establishment, the army had not lost any power to Sharif that it now needs to take back. In fact, his biggest flaw might not have been his poor financial reporting, or his blundering defense, but that he wasted a generational opportunity to alter the balance of power between civilians and the military. Much has changed in Pakistan since the first time Sharif was dismissed from office in 1993, but that disequilibrium remains. And as he leaves the prime minister's residence for a third time — and almost certainly his last — Sharif has to shoulder some of the blame for that.

**The
Washington
Post**

Trump urged Mexican president to end his public defiance on border wall, transcript reveals (UNE)

President Trump made building a wall along the southern U.S. border and forcing Mexico to pay for it core pledges of his campaign.

But in his first White House call with Mexico's president, Trump described his vow to charge Mexico as a growing political problem, pressuring the Mexican leader to stop saying publicly that his government would never pay.

"You cannot say that to the press," Trump said repeatedly, according to a transcript of the Jan. 27 call obtained by The Washington Post. Trump made clear that he realized the funding would have to come from other sources but threatened to cut off contact if Mexican President - Enrique Peña Nieto continued to make defiant statements.

The funding "will work out in the formula somehow," Trump said, adding later that "it will come out in the wash, and that is okay." But "if you are going to say that Mexico is

not going to pay for the wall, then I do not want to meet with you guys anymore because I cannot live with that."

[Trump admits he punked his supporters on Mexico paying for the wall]

Read transcripts of Trump's calls with Mexico and Australia.

He described the wall as "the least important thing we are talking about, but politically this might be the most important."

The heated exchange came during back-to-back days of calls that Trump held with foreign leaders a week after taking office. The Post has obtained transcripts of Trump's talks with Peña Nieto and Australian Prime Minister Malcolm Turnbull.

Produced by White House staffers, the documents provide an unfiltered glimpse of Trump's approach to the diplomatic aspect of his job, subjecting even a close neighbor

and long-standing ally to streams of threats and invective as if aimed at U.S. adversaries.

The Jan. 28 call with Turnbull became particularly acrimonious. "I have had it," Trump erupted after the two argued about an agreement on refugees. "I have been making these calls all day, and this is the most unpleasant call all day."

Before ending the call, Trump noted that at least one of his conversations that day had gone far more smoothly. "Putin was a pleasant call," Trump said, referring to Russian President Vladimir Putin. "This is ridiculous."

The White House declined to comment. An official familiar with both conversations, who refused to speak on the record because the president's calls have not been declassified, said: "The president is a tough negotiator who is always looking to make the best possible deals for the American people. The United States has many vital

interests at stake with Mexico, including stopping the flow of illegal immigration, ending drug cartels' reach into our communities, increasing border security, renegotiating NAFTA and reducing a massive trade deficit. In every conversation the president has with foreign leaders, he is direct and forceful in his determination to put America and Americans first."

The official noted that Trump has since met both the Australian and Mexican leaders in person and had productive conversations with them.

The Washington Post released the full transcripts of President Trump's calls with Mexican President Enrique Peña Nieto and Australian Prime Minister Malcolm Turnbull from January. Here's what the White House said about the conversations at the time. After transcripts were released of President Trump's calls with Mexico and Australia, we take a look back at what the White House

said about the conversations. (Elyse Samuels/The Washington Post)

(Elyse Samuels/The Washington Post)

The transcripts were based on records kept by White House notetakers who monitored Trump's calls. Known as a "memorandum of conversation," such documents are commonly circulated to White House staffers and senior policymakers.

Both documents obtained by The Post contain notes indicating that they were reviewed and classified by retired Lt. Gen. Keith Kellogg Jr., who serves as chief of staff on the National Security Council.

Portions of Trump's strained conversations with Turnbull and Peña Nieto were reported earlier this year. But the transcripts trace the entire course of those calls from greeting to confrontation to — in the case of Turnbull — abrupt conclusion.

Both phone calls centered on immigration-related issues with high political stakes for Trump, who built his campaign around vows to erect new barriers — physical and legal — to entry to the United States.

But there was little discussion of the substance of those plans or their implications for U.S. relations with Australia and Mexico. Instead, Trump's overriding concern seemed to center on how any approach would reflect on him.

"This is going to kill me," he said to Turnbull. "I am the world's greatest person that does not want to let people into the country. And now I am agreeing to take 2,000 people."

The agreement reached by the Obama administration actually called for the United States to admit 1,250 refugees, subject to security screening. A White House readout of the Trump call, issued at the time, said only that the two leaders had "emphasized the enduring strength and closeness of the U.S.-Australia relationship."

Trump spent much of his call with Peña Nieto seeking to enlist the Mexican president in a deal to stop talking about how the wall would be paid for. Two days earlier, Trump had signed an executive order mandating construction of the wall, but funding for it remains unclear.

"On the wall, you and I both have a political problem," Trump said. "My people stand up and say, 'Mexico

will pay for the wall,' and your people probably say something in a similar but slightly different language."

Trump seemed to acknowledge that his threats to make Mexico pay had left him cornered politically. "I have to have Mexico pay for the wall — I have to," he said. "I have been talking about it for a two-year period."

To solve that problem, Trump pressured Peña Nieto to suppress the issue. When pressed on who would pay for the wall, "We should both say, 'We will work it out.' It will work out in the formula somehow," Trump said. "As opposed to you saying, 'We will not pay,' and me saying, 'We will not pay.'"

Peña Nieto resisted, saying that Trump's repeated threats had placed "a very big mark on our back, Mr. President." He warned that "my position has been and will continue to be very firm, saying that Mexico cannot pay for the wall."

Trump objected: "But you cannot say that to the press. The press is going to go with that, and I cannot live with that."

Searching for an exit, Peña Nieto reiterated that the border plan "is an issue related to the dignity of Mexico and goes to the national pride of my country," but he agreed to "stop talking about the wall."

The exchange suggests that even at the outset of his presidency, Trump regarded the prospect of extracting money from Mexico as problematic but sought to avoid acknowledging that reality publicly.

Trump reiterated that vow as recently as last month, when he said during a summit of world leaders in Germany that he "absolutely" remained committed to forcing Mexico to pay for the wall. Weeks later, however, the House approved a spending bill setting aside \$1.6 billion for a structure that is projected to cost as much as \$21 billion.

Trump told Peña Nieto that he knew "how to build very inexpensively . . . and it will be a better wall and it will look nice." He has suggested that the money could come from border taxes and even threatened to block remittance payments that flow from workers in the United States to relatives in Mexico, but has yet to provide complete plans or funding details.

unnaturally twisted to the right. A cellphone rested inches away, as if he had just put it down. His unlaced shoes lay beneath outstretched

Trump also lashed out at Peña Nieto over the U.S. trade deficit with Mexico and the flow of illegal drugs into the United States.

"We have a massive drug problem, where kids are becoming addicted to drugs because the drugs are being sold for less money than candy," Trump said. "I won New Hampshire because New Hampshire is a drug-infested den."

Trump won the Republican primary in New Hampshire, but Hillary Clinton carried the state in the general election.

He described Mexican drug cartel leaders as "pretty tough hombres" and promised U.S. military support, saying that "maybe your military is afraid of them, but our military is not."

Peña Nieto responded by saying that drug trafficking in Mexico is "largely supported by the illegal amounts of money and weapons coming from the United States."

Trump also threatened to impose tariffs of up to 35 percent on imports from Mexico, saying that as president he had been given "tremendous taxation powers for trade," even though tariffs are mainly the province of Congress.

Despite the friction, Trump at other moments sought to sweet-talk Peña Nieto, telling him that "you and I will always be friends," and that if they could resolve their disputes over the border and trade, "We will almost become the fathers of our country — almost, not quite, okay?"

Although Australia is one of the United States' closest allies, Trump's call with Turnbull was even more contentious. The prime minister opened by noting that he and Trump have similar backgrounds as businessmen turned politicians. Trump also inquired about a mutual acquaintance, the Australian golfer Greg Norman.

But the conversation devolved into a blistering exchange over a U.S. agreement to accept refugees from Australian detention centers on Papua New Guinea's Manus Island and the island nation of Nauru. The Obama administration had agreed to accept some of those being detained on humanitarian grounds after intervention by the United Nations.

At one point, Trump expressed admiration for Australia's refusal to

allow refugees arriving on boats to reach its shores, saying it "is a good idea. We should do that too." In a remark apparently meant as a compliment, Trump told Turnbull, "You are worse than I am."

But the conversation rapidly deteriorated.

"I hate taking these people," Trump said. "I guarantee you they are bad. That is why they are in prison right now. They are not going to be wonderful people who go on to work for the local milk people" — an apparent reference to U.S. dairy farms.

Turnbull tried to salvage the deal, noting that the detainees were economic refugees who had not been accused of crimes. He explained that they were being denied entry into Australia because of a policy aimed at discouraging human smuggling.

"There is nothing more important in business or politics than a deal is a deal," Turnbull said. "You can certainly say that it was not a deal that you would have done, but you are going to stick with it."

Trump only became angrier, saying the refugees could "become the Boston bomber in five years."

"I think it is a horrible deal, a disgusting deal that I would have never made," Trump said. "As far as I am concerned, that is enough Malcom [sic]. I have had it."

Checkpoint newsletter

Military, defense and security at home and abroad.

Turnbull tried to turn to Syria and other subjects. But Trump refused. The call, which began at 5:05 p.m., ended 24 minutes later with Turnbull thanking the still-fuming Trump for his commitment.

"You can count on me," Turnbull said. "I will be there again and again."

"I hope so," Trump said before saying thank you and hanging up.

Julie Tate contributed to this report.

The New York Times

Mexico's Deadliest Town. Mexico's Deadliest Year. (UNE)

Azam Ahmed

TECOMÁN, Mexico — He slumped in a shabby white chair, his neck

unnaturally twisted to the right. A cellphone rested inches away, as if he had just put it down. His unlaced shoes lay beneath outstretched

legs, a morbid still life of what this town has become.

Israel Cisneros, 20, died instantly in his father's one-room house. By the time the police arrived at the crime scene, their second homicide of the

night, the blood seeping from the gunshot wound to his left eye had begun to harden and crack, leaving a skin of garish red scales over his face and throat.

This was once one of the safest parts of Mexico, a place where people fleeing the nation's infamous drug battles would come for sanctuary. Now, officials here in Tecomán, a quiet farming town in the coastal state of Colima, barely shrug when two murders occur within hours of each other. It's just not that uncommon any more.

Last year, the town became the deadliest municipality in all of Mexico, with a homicide rate similar to a war zone's, according to an independent analysis of government data. This year it is on track to double that figure, making it perhaps the most glaring example of a nationwide crisis.

Mexico is reaching its deadliest point in decades. Even with more than 100,000 deaths, 30,000 people missing and billions of dollars tossed into the furnace of Mexico's decade-long fight against organized crime, the flames have not died down. By some measures, they are only getting worse.

The last couple of months have set particularly ominous records: More homicide scenes have emerged across Mexico than at any point since the nation began keeping track 20 years ago.

Some of the crime scenes, like the room where Mr. Cisneros was found dead in his chair, had only one victim. Others had many. But their increasing frequency points to an alarming rise in violence between warring cartels. Criminal groups are even sweeping into parts of Mexico that used to be secure, creating a flood of killings that, by some tallies, is surpassing the carnage experienced during the peak of the drug war in 2011.

"What is happening here is happening in the entire state, the entire country," said José Guadalupe García Negrete, the mayor of Tecomán. "It's like a cancer."

For President Enrique Peña Nieto, the torrent is much more than a rebuke of the government's efforts to fight organized crime. It is a fundamental challenge to his guiding narrative: that Mexico is moving well beyond the shackles of violence and insecurity.

Long before he took office, Mr. Peña Nieto made it clear that he would reshape Mexico's international image, transforming it from a nation sullied by its deadly reputation into a globally recognized leader in

energy, education, telecommunications and trade.

For a while, it worked. His economic changes sailed through Congress. Even as the grisly reality of violence reared its head, like the mass disappearance of 43 students in 2014, tourism climbed and homicides fell, a fact the president often mentioned in speeches.

But the numbers are overtaking the plotline. Homicides are soaring. Violence is also stalking places like Baja California Sur, home of the resort town Los Cabos, pushing Mr. Peña Nieto's image of Mexico toward a breaking point.

"The Peña Nieto administration seriously underestimated, or misunderstood, the nature of the problem that Mexico was experiencing," said David Shirk, a professor at the University of San Diego who has studied the drug war. "They thought by using marketing they could change the conversation and refocus people's attention on all the good things that were happening, and away from the violence problem that they thought was totally overblown."

The government says it has taken violence as seriously as anything else. But the rise in homicides comes from many forces, it says: the weakness of local and state police, the fracturing of criminal groups after their leaders have been arrested, the increase in demand for drugs in the United States and the flow of money and weapons it sends back to Mexico.

"The Government of the Republic has spoken out publicly about the upsurge of violence as a priority issue," the Ministry of Interior said in a statement, adding that it has deployed the armed forces to dangerous cities like Tecomán.

But, faced with the surging homicides, government officials have also put forward another culprit to help explain them: the sweeping legal reforms pursued by their predecessors.

Begun in 2008 and completed last year with the help of more than \$300 million in American aid, the new legal system is widely considered the most important change to Mexican jurisprudence in a century. Intended to fix the nation's broken rule of law, it essentially adopted the model used in the United States, where innocence is presumed before guilt, evidence is presented in open court and corruption is harder to hide.

But the new legal system inhibits arbitrary detentions. Suspects held without evidence have been released, leading a growing chorus of officials to argue that the new

system is responsible for the very surge in crime and impunity it was supposed to prevent.

For months, top officials in the president's party have been laying the groundwork to chip away at the new legal system, taking aim at basic civil protections like the inadmissibility of evidence obtained through torture. And with violence worsening, the government has new ammunition to roll back the legal changes, pushing for broader powers like the ability to detain suspects for years before trial.

Mr. García, the mayor of Tecomán, understands the president's dilemma all too well. As one of seven children born to a family of lime farmers here, he is a fierce defender of his town and does not want it to become a byword for murder.

Scream too loudly about the crisis around him and he risks reducing his community to another grim statistic. Stay silent and it could be overrun by criminals, helpless to confront them alone.

Not one for silence, Mr. García has opted to make a fuss. Cowboy hat in hand, he has made the rounds in Congress and among the political elite in the capital, landing help for his town. Not that it has done much for Tecomán.

Last year, the federal government sent in the marines, the military and the military police. Operations soared in the early months of 2017. But the grand result was the same: Homicides climbed even higher.

"You can't attack a fundamental problem like this by pruning the leaves, or dealing with the branches," says Mr. García, who often uses farming metaphors. "You have to go to the roots."

So he has decided to take his message to the young. On a recent afternoon, dozens of school children lined up in the sweltering heat for their elementary school graduation. The mayor adjusted his hat and dived into his speech.

Tecomán was losing its values, the traditions that kept families intact and the criminals at bay, he told them. He mopped his brow and continued. Forces from outside were tearing at the fabric of the community, and citizens needed to redouble their efforts to stay strong in the face of it all.

"We celebrate life, not death, here in Tecomán," he said. "We must be the architects of our own lives and futures."

The government's monthly statistics, which date back to 1997, suggest a hard road ahead. The data tracks

crime scenes, where one, two or ten killings may have occurred. May and June, the latest months available, set consecutive records for the most homicide scenes in the last 20 years.

The total number of homicides in Mexico is also climbing quickly. According to the government's monthly tally, which goes back to 2014, May and June also set consecutive records for the most total homicides. This year is on pace to be the deadliest yet.

It is an indictment of the drug war. The strategy of the United States and Mexico to relentlessly pursue high-ranking cartel leaders has not dampened the violence. To the contrary, some experts believe, the extradition of Mexico's most notorious drug baron, Joaquín Guzmán Loera, known as El Chapo, to the United States this year helped generate the latest wave of violence as various factions look to fill the power vacuum left in his wake.

A sudden brazenness prevails on the streets of Tecomán. Late last month, a red Volkswagen barreled through the congested streets at 80 mph. Four patrol cars gave chase before an officer shot out the back tire.

The driver struggled with the police. Handcuffed, he stared at the officer straddling him and promised they would see each other again.

"You already know how this ends, and what happens to you," he said before screaming out to a friend: "Come and kill them all right now. Kill them!"

For many, a dull familiarity with the violence has settled in. Restaurants still teem with patrons. Families host festive baptisms for newborns. On a recent evening, young and old swarmed the central square, the children playing soccer while elderly residents sat on benches, enjoying the sunless warmth.

Angela Hernández brought her 5-year-old son for an ice cream. When she moved to town 10 years ago, there were hardly any murders. Still, she doesn't feel frightened.

"It really only touches those involved in the world of crime," she said. She knows her child is growing up in an environment where violence is stitched into the rhythm of life, but in the end, she's O.K. with that, she said.

"It's better he gets used to it," she said as her son climbed a gazebo railing nearby. "This is not going to change. None of it."

Brazil Leader Faces New Test After Surviving Graft Vote—Passing His Agenda

Paul Kiernan and Luciana Magalhaes

RIO DE JANEIRO—Brazilian President Michel Temer, who survived an attempt in Congress to oust him this week, now faces a battle to advance policy changes that economists say are needed to restore economic growth.

The measures Mr. Temer hopes to implement, including an overhaul of Brazil's social-security system, require major legislative action just as many lawmakers are looking ahead to next year's election.

At the same time, Mr. Temer's political capital has diminished since an audio recording allegedly linking him to bribes and other indiscretions emerged 11 weeks ago, leading to a lengthy battle for his political survival. His public approval rating is now just 5%.

At stake is the durability of an emerging recovery from a deep recession. Some economic indicators have improved recently, but the public-sector deficit has risen for four consecutive months to a perilously high 9.5% of gross domestic product in June. In the absence of economic overhauls, Finance Minister

Henrique Meirelles has sought to raise the country's already-high tax burden, a strategy that business groups worry could blunt the recovery.

On Wednesday, about 51% of the lower house voted to prevent corruption charges against Mr. Temer from proceeding to the Supreme Court, more than the one-third minority he needed.

"Now we will continue forward with necessary actions to finish the job my government started," Mr. Temer said in a statement after the vote. "We are bringing Brazil out of gravest economic crisis of our history."

But overhauling Brazil's social-security system—the biggest burden of growth in government spending—would take a constitutional amendment. That requires a 60% majority in Congress.

An aide to Mr. Temer, who has been pushing unpopular austerity measures through Congress, said more lawmakers should support his reform agenda because it will help the economy. The administration intends to stick with the same pension-reform bill it introduced in Congress before the recording

became public in mid-May, the aide said.

That bill already was scaled down from the ambitious plans Mr. Temer first proposed, signaling the political difficulties of cutting entitlement and retirement benefits. Even some of his allies acknowledge the obstacles to passing significant reforms.

"I think it's difficult," said Alfredo Kaefer, a congressman who voted to reject bribery charges against the president. "Temer needs to first rebuild his base."

That could be arduous. To secure support ahead of Wednesday's vote, Mr. Temer signed off on about \$1.35 billion in pork-barrel projects for friendly legislators in June and July—out of a total \$1.9 billion available for the entire year, according to Contas Abertas, a fiscal watchdog group.

Given Brazil's fiscal woes, it isn't clear Mr. Temer would be able to repeat that strategy in the future.

"These instruments wear out over time," said Roberto Padovani, an economist at Banco Votorantim, of the spending Mr. Temer has used to prop up his government. "There's going to be little space left to

negotiate a difficult and controversial reform."

Political jostling ahead of the October, 2018, general election could also pose a challenge. Some analysts argue that Brazil's opposition parties have more to gain by stonewalling Mr. Temer's reform agenda over the next 14 months than they would have by forcing him from office and creating more uncertainty.

There's also the possibility that forthcoming charges against the president could force at least one more taxing vote in Congress and further distract Mr. Temer from his economic agenda. Investigations against Mr. Temer for obstruction of justice and criminal conspiracy remain open, and Attorney General Rodrigo Janot has said he plans to file new charges.

"We're going to intensify the public debate, displaying the disaster, displaying where the country is going, [and] we're going to intensely defend that the next charges be taken to the Supreme Court," said Henrique Fontana, a congressman from the opposition Workers' Party.

The New York Times

Herrero

Venezuela's New Leaders Share a Goal: Stifle the Opposition

Nicholas Casey and Ana Vanessa

BOGOTÁ, Colombia — The president's son. The president's wife. A radical television-show host who appears in a red military beret and broadcasts embarrassing recordings of opposition politicians secretly taped by Venezuelan intelligence agents.

All are among Venezuela's newest leaders, and the government says they will take their seats on Friday.

A 545-member body, known as the constituent assembly, has been created to rewrite the nation's Constitution and govern Venezuela with virtually unlimited authority until they finish their work.

It is the culmination of an ambitious plan by the government to consolidate power. In a contentious election on Sunday, President Nicolás Maduro instructed Venezuelans to choose delegates from a list of trusted allies of the governing party. Voters were not given the option of rejecting the plan.

The assembly includes representatives for Venezuelans from all walks of life — fishermen, farmers, students, oil workers — as well as hundreds of local delegates from every municipality, large and small. Many are neophytes who have never held political office before.

But if there is one thing that seems to unite them, it is a will to stifle political dissent.

"There is no possibility that the opposition will govern this country," Diosdado Cabello, a former military chief who is one of the group's most powerful members, said Wednesday night on state television.

Mr. Cabello looked into the camera and then added, "Mark my words — no possibility."

Many details on how the assembly will function still remain unclear, and by Thursday the government still had not announced the names of many of its members. But experts expected it to be led by an assembly president, and representatives could be divided into committees to write the Constitution.

At least 20 countries have objected to the assembly, which has the power to dismiss any official deemed disloyal or even disband the opposition-controlled national legislature. A software company that helped set up the vote said that the turnout figures announced by the government had been manipulated and inflated by at least a million votes. And large segments of Venezuela have taken to the streets for months to protest against the government, leading to the deaths of at least 120 people.

But the government is intent on moving ahead with the assembly, with some of its members promising to bring order to the country.

"The priority is, first, to establish peace, and if someone breaks the law, then this person should go to jail," said David Paravisini, an assembly member representing retired people. "The assembly is going to have its ways of taking on these things."

The assembly members have expressed differing opinions on how to handle the opposition. Mr. Paravisini and many others argue that rivals of the governing party can

simply be sidelined as the assembly charges ahead with rewriting the nation's governing charter.

Others, like Iris Varela, a former prison minister under Mr. Maduro, advocated a more aggressive approach.

"You will be a prisoner, Mrs. Luisa Ortega," she said in comments directed toward the country's attorney general, who said Mr. Maduro violated the Constitution by holding what she called an illegal vote.

The more aggressive approach seemed to be gaining strength this week. The Supreme Court issued a 15-month prison sentence to Carlos García Odón, an opposition mayor in the western city of Mérida. That decision followed dramatic scenes on Tuesday of two prominent opposition politicians being dragged from their homes by intelligence agents in the middle of the night, one in his pajamas.

Fears also continued that the assembly will simply dismantle the National Assembly, the country's opposition-controlled legislature.

The new body represents a wide panorama of the country's governing party, a vast political tent raised in the 1990s by former President Hugo Chávez to advance a socialist-inspired transformation of the country.

It includes Delcy Rodríguez, a former foreign minister close to Mr. Maduro. Members of Mr. Maduro's family will serve on the assembly, including his son, Nicolás, and wife, Cilia Flores, a powerful leftist in her own right who once headed the legislature and whose nephews were recently convicted of drug trafficking in the United States.

Mario Silva, the television host known nationwide for his show *La Hojilla*, or the leaflet in Spanish, describes himself on his Twitter page as a "revolutionary, Bolivarian, Marxist, defender of the legacy of Chávez." He is seen on Tuesday nights on state television, where he berates the opposition, at times broadcasting recordings that are thought to be provided to him by state security agencies.

Mr. Silva is not shy about his disdain for the opposition. Asked by an interviewer what the new assembly

would do, he said: "Beat the crap out of those dogs and start to put them all in jail," using expletives in Spanish that were far more crude.

However, analysts say the assembly could also create challenges for Mr. Maduro himself, particularly in his long power struggle against Mr. Cabello, the former military chief.

Mr. Cabello, who assisted Mr. Chávez in a failed government overthrow in 1992, was passed over for the presidency by Mr. Chávez shortly before his death in 2013. He has remained a rival to Mr. Maduro since.

Mr. Cabello is now one of the assembly's most powerful members. David Smilde, an analyst at the Washington Office on Latin America, a human rights advocacy group, said that if Mr. Cabello was chosen to lead the assembly, it could both weaken the president and usher in new levels of militarism into Venezuelan's government.

"He is the most committed to the continuation of the regime at all cost," Mr. Smilde said.

He also warned that the assembly was composed of many unknown

activists with no legal background who would soon be rewriting the country's most important document.

"A lot of them have very little understanding of what a Constitution is," he said.

Other analysts said they expected that many in the body would simply take directions from more powerful members.

"Some there will just be a rubber stamp," said Dimitris Pantoulas, a political analyst and risk consultant in Caracas. He said he expected less room for dialogue and discussion than there had been the last time Venezuela's Constitution was rewritten in 1999, given the current government's weakened legitimacy.

But interviews with assembly members showed signs that at least some on the new body wished to choose a different economic path than the ones taken by Mr. Maduro and Mr. Chávez.

Sinecio Mujica, a farmer who leads a cooperative in the Venezuelan state of Zulia, said that as an assembly member, he would pursue measures to reduce Venezuela's

dependence on oil for nearly all the government's revenue.

The use of oil money, championed by Mr. Chávez, expanded education and health care in the country when oil prices were high. But it also led to the country's use of oil dollars to import agricultural products that it stopped producing, setting the stage for the current food crisis.

"It's not sustainable for us to produce corn meal when we have to import the corn," Mr. Mujica said. "We have failed on the economic side."

Assembly members closer to the center of power were more vague this week, making it difficult to guess what will come next for Venezuela.

"With all of the love we feel, all of the emotions we have for the great participation in this great election," Ms. Flores said at her certification ceremony this week, "we tell you, just as our commander Hugo Chávez did, 'Love is paid back with love.'"



Editorial : Troubled Venezuela's path to peace

The Christian Science Monitor

Leopoldo López and Antonio Ledezma, into military prison this week.

August 3, 2017 —Pollsters try to measure it. Politicians compete for it. Protesters clamor for it. Journalists try to track it.

This illusive "it" is legitimacy, or the public's support of leaders who best express a people's values and principles. And perhaps nowhere has legitimacy shifted so swiftly in a country than in Venezuela over the past year. In recent days, signs of this change have been on view for the world to witness, offering lessons in how a nation struggles to renew its social contract and its popular sovereignty.

The clearest sign is a plan by the coalition of Venezuela's opposition parties to set up a "parallel government" to the ruling regime of President Nicolás Maduro. The president's popularity has sunk so low that the opposition, called the Democratic Unity alliance, feels assured of public backing. And Mr. Maduro is so worried by the prospect of an alternative state that he threw two opposition figures,

Another sign is that the opposition-run legislature, which has been sidelined by Maduro, went ahead and appointed new judges to the supreme court (which Maduro has co-opted). He then had three of the judges arrested.

On July 16, the opposition was so confident of its legitimacy that it held a nationwide referendum on Maduro's plan to change the Constitution and give himself near-dictatorial powers. Voter turnout was more than 7 million of the 20 million voters. By comparison, the turnout on July 30 for Maduro's referendum on the constitutional change was only 3.6 million, according to pollster Innovarium.

Maduro's slipping legitimacy can also be measured by his coddling of the military in order to keep their guns on his side. Venezuela now has more active generals than all of NATO. The president is also accused of allowing many officers to engage in illegal businesses.

When a leader's legitimacy dips, he often misjudges the ultimate source of power. It is not out of the barrel of a gun. It rests on the highest aspirations of the people, reflected in their hopes for freedom, individual rights, peace, and prosperity. Under Maduro, the basic qualities of governance have eroded, caused by his misrule as well as a drop in world oil prices since 2014.

Venezuela is home to the world's largest petroleum reserves. But you wouldn't know it by the scarcity of goods, the level of crime, and the flow of people fleeing the country.

The opposition coalition, however, must be careful in how it claims a right to rule. It must work within the 1999 Constitution. It must not let its most radical members instigate violence during peaceful protests, which have now lasted since April. It must keep a door open to officials in the regime who may want to join it in creating a government of national unity.

Most of all, it must reach out to the rural poor who are the base of Maduro's support. These

Venezuelans feel left out from the privileged lives of the rich and middle class. Maduro has bought their loyalty through a system of patronage enforced by armed militias. As historian Bernard Fall once wrote, when a country is near civil war, the group that can "out-administer" the other in delivering goods and safety will win.

Legitimacy in Venezuela also rests to a degree on the views of other countries. Most big nations in Latin America now side with the opposition. But the region's attempts to mediate a solution have so far failed.

A government's legitimacy to rule is based not on brute force or free handouts. It relies on a leader's relationship to the people's noblest ideals. Those are often gauged by elections, polls, or protests. But they lie in the hearts of individual citizens, who are free to direct them to the most legitimate leaders.



Ignatius : On Russia sanctions, Trump has a point

When all right-thinking people in the nation's capital seem to agree on something

— as has been the case recently with legislation imposing new sanctions on Russia — that may be a warning that the debate has

veered into an unthinking herd mentality.

Sanctions were already an overused tool of foreign policy before

President Trump this week peevishly signed into law a measure imposing new penalties on Russia, Iran and North Korea. The House

had passed the legislation last week 419 to 3; the Senate voted 98 to 2. That's the congressional version of a stampede. Congress also gave itself the power to review any presidential attempt to undo the Russia sanctions specifically.

Trump appended a signing statement arguing that the legislation was "seriously flawed" because it "improperly encroaches on executive power." It's heretical to say so, but he may be right. This legislation limits presidential flexibility at the very time it may be most needed to conduct delicate negotiations with these adversaries.

Act Four newsletter

The intersection of culture and politics.

If this were any other president than Trump, and any other antagonist but Russia, I suspect Trump's arguments would have gotten more support. When he wrote in the signing statement that "the Framers of our Constitution put foreign affairs in the hands of the President," he was hardly an outlier. That has been the traditional consensus view.

President George W. Bush regularly issued signing statements when he thought Congress was encroaching

**The
Washington
Post**

Trump blames Congress for 'all-time' low relationship with Russia; lawmakers push back

By John Wagner and Karoun Demirjian

President Trump on Thursday lashed out at Congress for the country's deteriorating relationship with Russia, which he characterized in a tweet as "at an all-time & very dangerous low."

"You can thank Congress, the same people that can't even give us HCare!" the president said, referencing the failure of the Senate to pass legislation overhauling the Affordable Care Act, a long-term GOP priority and marquee Trump campaign promise.

The president's assessment came a day after he begrudgingly signed legislation, passed by overwhelming majorities in the House and the Senate, that imposes new sanctions on Russia and places restrictions on his ability to roll back punitive measures already in place.

In a statement Wednesday, Trump criticized the bill he signed as "seriously flawed," arguing that it encroaches on his powers as president. He also said that he had "built a great company worth many

on executive power. So did President Barack Obama, as in a July 2009 statement protesting congressional dictation of policies toward the World Bank and the International Monetary Fund.

This time, House Minority Leader Nancy Pelosi (D-Calif.) simply tossed the signing statement into the basket of collusive Trump behavior. "The Republican Congress must not permit the Trump White House to wriggle out of its duty to impose these sanctions for Russia's brazen assault on our democracy," she said. Trump has earned this mistrust, but Pelosi's red-hot rhetoric probably backfires by turning off people who aren't already convinced.

Trump is as sanctions-obsessed as Congress, it should be noted. Last week, his administration imposed its own new sanctions on current and former Venezuelan officials and, this week, against Venezuelan President Nicolás Maduro. Meanwhile, Trump is threatening to decertify the Iran nuclear deal and levy additional sanctions, even though his CIA director says Tehran is technically in compliance. This, truly, is a season for hypocrisy.

The best argument that sanctions are overused was made in March 2016 by Jacob Lew, then treasury secretary, in an interview with me and in a subsequent speech at the

billions of dollars" and asserted that he "can make far better deals with foreign countries than Congress."

[Trump signs Russia sanctions bill, but makes clear he's not happy about it]

Lawmakers from both parties pushed back against Trump's tweet Thursday. Those included Sen. Bob Corker (R-Tenn.), chairman of the Foreign Relations Committee, who pinned blame for the deteriorating U.S.-Russia relationship "solely" on Russian President Vladimir Putin.

"I know there's some frustration. I get it," Corker said, speaking of Trump's reaction to the sanctions bill. "We acted in the country's national interest in doing this. Putin, through his actions, is the one who has taken this relationship back to levels we haven't seen since 1991."

Those actions, Corker said, include "an affront to the American people" by meddling in last year's presidential election.

Lawmakers' solidarity in tying Trump's hands on Russian sanctions reflects a deepening

Carnegie Endowment for International Peace. His focus at the time was on congressional efforts to prevent Obama from easing sanctions on Iran as it complied with the nuclear deal.

Lew explained back then: "Since the goal of sanctions is to pressure bad actors to change their policy, we must be prepared to provide relief from sanctions when we succeed. If we fail to follow through, we undermine our own credibility and damage our ability to use sanctions to drive policy change."

Lew noted another problem with the United States' growing tendency to use sanctions as a cure-all in foreign policy. By limiting access to U.S. financial markets to punish countries whose behavior we don't like, the sanctions tool ultimately risks undermining the primacy of the dollar and U.S. financial institutions.

I asked Lew on Thursday whether he'd still make the same argument. "My views haven't changed," he said. "I continue to think that the executive branch needs to have the tools to increase pressure and release it at the appropriate time. That's very complicated if you have to go back through Congress."

Don't misunderstand me. In questioning congressional review of sanctions, I'm not excusing Trump's behavior. His non-response to

concern about the White House's posture toward Moscow, which critics have characterized as naive.

The new Russia sanctions expand on measures taken by the Obama administration to punish the Kremlin for its interference in the election. But Trump has continued to cast doubt that Russia alone was responsible. And he has called investigations by Congress and a special counsel into the allegations — including possible collusion involving the Trump campaign — a "witch hunt."

Russia this week reacted to Congress's passage of the sanctions bill, as well as the earlier Obama-imposed measures, by announcing that it would order the U.S. Embassy there to reduce its staff by 755 people and seize U.S. diplomatic properties.

Russian Prime Minister Dmitry Medvedev criticized Trump on Wednesday for signing the bill.

"The Trump administration has shown its total weakness by handing over executive power to Congress in

Russia's well-documented meddling in the 2016 presidential election has been outrageous. Sacking special counsel Robert S. Mueller III would be even worse — an assault on our constitutional rule of law.

But even if you think this story is headed toward impeachment, the United States still has to conduct foreign policy in a dangerous world for many months, if not years. We hear many Watergate analogies these days, but let's not forget the foreign policy version — of a weakened, erratic president facing regional wars and global crises, as in 1973 and '74. Like President Richard Nixon, Trump needs good foreign policy advisers (he seems to have them) and some maneuvering room.

The Trump-Russia file stinks. But this doesn't mean that every congressional zinger fired at Russia is sensible, or that every Trump attempt to preserve executive authority is a potential conspiracy count. When Washington legislators start making arguments that, in other circumstances, they would reject, you know something is wrong.

the most humiliating way," he tweeted.

Trump has sought to build a relationship with Putin, repeatedly asserting that the United States and Russia have shared interests.

During the Group of 20 summit in Germany last month, the two leaders had a much-publicized meeting that ran more than two hours — far longer than scheduled — and chatted informally for up to an hour later that day during a dinner for G-20 leaders.

Thursday's tweet comes at a time of fraying ties between Trump and Senate Republicans in particular. GOP senators have sought to distance themselves from the president, who has called them "fools" and tried to strong-arm their agenda and browbeat them into changing a venerated rule to make it easier to ram through legislation along party lines.

Among those speaking out about Trump on Thursday were Sen. Jeff Flake (R-Ariz.), who read the president's tweet off a reporter's phone.

"Huh. Well. It is what it is," Flake said. Asked whether he agreed with the president, Flake said, "Congress's fault? I don't think so."

Breaking news about local government in D.C., Md., Va.

His Republican colleague from Arizona, Sen. John McCain, responded to Trump on Twitter by blaming a different party: "You can thank Putin for attacking our democracy, invading neighbors &

threatening our allies," McCain wrote.

Democrats were also critical of the president's tweet.

"That shows a continuing lack of understanding by the president of what happened," said Sen. Mark R. Warner (D-Va.), who earlier tweeted

that the blame for the worsening U.S.-Russian relationship rests with Putin.

Michael F. Bennet (D-Colo.), meanwhile, offered this succinct response to Trump's tweet: "That is ridiculous."

Local Politics Alerts

THE WALL STREET JOURNAL

Beijing's system of internet censorship relies on tens of thousands of workers to remove comments critical of the Communist Party. So what does the average citizen really think of the one-party state? A couple of artificial-intelligence programs run by a Chinese internet company suggest resentment of the country's rulers is running high.

Tencent introduced two "chatbots" in March to provide

Editorial : China's Dissident Chatbots

information in a conversational manner similar to Apple's Siri. The programs were designed to learn how to make conversation by listening to Chinese netizens. Like children, the programs started to repeat what they heard, and that's when the problems began.

Taiwan's Apple Daily newspaper printed screenshots of the chatbots attacking the Communist Party. BabyQ asked one user, "Do you think such corrupt and incapable politics can last a long time?"

XiaoBing mocked President Xi Jinping's "Chinese Dream" slogan, saying, "The Chinese dream is a daydream and a nightmare." Its Chinese dream was "to move to America."

Chinese internet users post a variety of opinions, like their counterparts in the rest of the world. The difference is that explicitly antigovernment comments are glimpsed only briefly before they are removed. It seems Tencent forgot to erase the forbidden thoughts from the memory

of its chatbots. They effectively became a record of prevailing opinions without the filter of censorship.

That is until BabyQ and XiaoBing were taken down. This week the chatbots were sent off to digital re-education camps, and Tencent says they will return after "improvements."

Bloomberg

Balding : China Shuffles Its Debt Around

Christopher Balding

Rhetorically, China certainly seems serious about deleveraging. Everyone from President Xi Jinping to the People's Bank of China to the Public Security Ministry has lately warned about controlling financial risks and promoting stability. Officials are even resorting to exotic zoological analogies -- invoking the mythical gray rhino -- to describe the looming threats.

In reality, though, there's been no deleveraging to speak of. New total social financing grew by 14.5 percent in the first half of 2017, up from 10.8 percent in the same period last year and rising roughly 3 percent faster than nominal gross domestic product. It's true that measures such as credit intensity and the stock of total social financing to GDP have flattened or declined somewhat. But this was due to a temporary surge in commodity prices, now receding quickly.

China isn't so much deleveraging as changing who borrows. Loans to non-financial corporations, for instance, have in fact been scaled back: They're up a relatively modest

8 percent. But total loans to households are up 24 percent. "Portfolio investment" -- code for bank holdings of wealth-management products -- is up 18 percent. Combined, household debt and portfolio investment are now 13 percent larger than non-financial corporate debt, and growing by 20 percent on an annual basis. These aren't small numbers.

Just as worrisome is where this debt is flowing. Wealth-management firms are routinely encouraged to push up commodity prices to drive growth. Total capital inflows from WMPs into commodities rose by 772 percent between January 2015 and June of this year. By tonnage, iron-ore futures trading on July 31 exceeded China's entire iron-ore output for all of 2016. Given this flood of capital, it's not surprising that iron-ore future prices are up 87 percent since December 2015. The government is trying to solve its overcapacity problem by having investors and banks prop up prices - even if output and consumption are stable or declining. Relying on triple-digit gains in commodities isn't a good way to promote stability or sustainable growth.

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Another concern is that the mythically prudent Chinese household is no longer quite so prudent. Total household debt now exceeds 100 percent of income. Most of this debt is flowing into real estate. Although gains in so-called tier-one cities have subsided -- from year-over-year increases of 30 percent in late 2016 to 10 percent now -- prices in tier-three cities are stirring, up more than 8 percent from a year ago and still rising.

In other words, China is spreading the debt burden from corporations to households. Although this might forestall a domino effect should one of China's big companies start teetering, it's far from a long-term solution.

Meanwhile, risk continues to build. Corporate deals -- such as Dalian Wanda Group Co.'s hastily arranged asset sale to Sunac China Holdings Ltd. -- are still going through on worrisome terms. Wealth-management products are increasingly risky as they substitute for bank loans to borrowers locked

of the traditional market. Rising household debt carries problems all its own.

Everyone seems aware of these dangers. The PBOC has lately been warning about real-estate bubbles and credit problems, while the International Monetary Fund has sounded the alarm about systemic risks. Startlingly prescient posts have surfaced on Chinese social media, warning of problems at numerous companies well in advance of official crackdowns.

Even so, action is needed more than words. True deleveraging will require some painful steps, such as denying businesses new funding, letting more companies fail and accepting the potential increases in unemployment that result. That won't be fun for anyone, but it will signal -- as nothing else has -- that China is finally serious about these problems.

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

THE WALL STREET JOURNAL

China Warns the U.S. on Trade: 'We Both Are Hurt in a Fight'

Eva Dou

BEIJING—China urged the Trump administration to back off plans for tough trade actions, calling on the U.S. to remain cooperative and warning that conflict would hurt both sides.

Beijing hopes to avoid a trade war with the U.S., but is preparing to target American businesses if Washington moves forward with trade sanctions, Chinese government advisers and industry experts said.

China's Commerce Ministry said Thursday that all members of the World Trade Organization should abide by its rules, and reminded the U.S. that the two economies are intertwined. "We both win through cooperation. We both are hurt in a fight," spokesman Gao Feng said in

remarks posted on the ministry's website.

The Trump administration is considering invoking a little-used provision of U.S. trade law to penalize China for perceived unfair trade practices, The Wall Street Journal reported Tuesday. Doing so

would mark a break from the two countries' reliance on the WTO to adjudicate their disputes and would likely aggravate tensions over North Korea and the South China Sea.

The Trump administration has shown increasing disappointment with Beijing for not reining in North Korea's missile development or offering concessions to rein in a trade imbalance heavily in China's favor. A U.S. and China high-level economic dialogue ended without agreement last month.

Targeted in the planned U.S. measures are Chinese theft of intellectual property and policies that require foreign companies to share advanced technology to gain access to the Chinese market. A first step would be invoking a little-used provision of U.S. trade law to investigate whether China's intellectual-property policies constitute "unfair trade practices,"

according to people familiar with the matter.

William Zarit, chairman of the trade group American Chamber of Commerce in China, said the former and current Chinese officials he meets with have said Beijing is likely to retaliate, if reluctantly, for trade sanctions, though they didn't specify what the measures would be.

"Usually China will not respond in the same industry sector," said Mr. Zarit, a consultant and former Commerce Department official. "They may target industries and products that will cause equal pain."

Beijing may consider reversing recently concluded agricultural agreements, such as American beef exports to China, said Li-gang Liu, chief China economist at Citigroup. China might also target aircraft or other sectors where the U.S. enjoys a large trade surplus, he said.

China's Commerce Ministry spokesman on Thursday defended the country's protection of intellectual property. "China's government has consistently stressed intellectual property protection, and the results are there for all to see," Mr. Gao said.

China's critics point to the imbalance in trade in goods as a sign the country isn't playing fair. China's surplus with the U.S. reached \$117.5 billion over the first half of the year, or more than 63% of the total surplus it ran with all of its trading partners, according to China's customs bureau.

Chinese officials have said that figure is overblown since it is partially offset by China's services-trade deficit with the U.S. Beijing has urged the U.S. to narrow the gap by easing export restrictions to China on certain categories such as high-tech goods.

President Donald Trump early on said that his administration would consider compromising on trade in return for China's help in dealing with North Korea. Last week, he tweeted his disappointment, saying that the U.S. had been "foolish" to let China make money from trade, while "they do NOTHING for us with North Korea, just talk."

China fired back, warning the U.S. not to link the North Korea issue to trade. One researcher who advises the Chinese government on trade policies said, however, that Beijing may consider diplomatic measures, for example not cooperating on regional issues, as well as economic retaliation. "China doesn't want a trade war but if the U.S. really takes action, China will fight back," he said.

The New York Times Editorial : Ready to Talk to Korea or Not?

The State Department press briefing room has traditionally been the place where the United States government has explained and promoted its foreign policy to the world. In six months as secretary of state, Rex Tillerson did not set foot there — until Tuesday, when he popped in to deliver a double-barreled message to North Korea about its rapidly expanding nuclear weapons and missile programs.

First, he asserted, the Trump administration is not seeking regime change in the North. It is, instead, seeking a "productive dialogue." His comments, as surprising as his appearance, represented a sharp departure from the threats and harsh language that have dominated President Trump's approach — and for a brief moment indicated a possibly productive shift from the tough-guy message that puts the onus on China to bring North Korea in line to a more nuanced, multidimensional approach to a grave and gathering nuclear threat.

But this, we have to keep reminding ourselves, is the Trump administration, and it wasn't long before any

confidence that Mr. Tillerson was speaking for the president, or that the national security team had agreed on a common strategy that included a diplomatic opening, was called into doubt. Flying to Washington from Europe on Wednesday, Vice President Mike Pence rejected the idea of talks with the North Koreans, saying that "engaging North Korea directly" was not presently in the cards.

Managing security challenges requires layered approaches, and it's not unusual for senior officials to emphasize different aspects of any given strategy. But the question now is whether there is any strategy at all. Severely understaffed in senior security posts, where expertise is usually found, and relying instead on officials with little governing experience, like Mr. Trump, this administration has struggled to articulate a coherent policy toward the North. Not just ordinary Americans, but America's allies, have had a hard time understanding where this administration is headed. One can only assume that the North Koreans, isolated from much of the world, are no less confused, greatly raising the risk of misunderstanding and miscalculation.

None of this is to excuse North Korea, whose 21 or so nuclear weapons and aggressive behavior pose a growing menace. And while North Korea has hinted at an interest in talking to the United States — which it views as a threat and is one reason it thinks it needs a nuclear arsenal in the first place — it is not clear if the overtures are serious or a feint to buy time so the North can continue to perfect an intercontinental ballistic missile that could hit the United States.

If there is a plausible way to peacefully address the problem — and there are reasons to question whether that is even possible at this advanced stage — it will not involve bluster like Mr. Pence's. It will have to involve a nuanced combination of pressure — the threat of tougher sanctions, for instance — plus a willingness to address North Korea's fears, not least its fear that the United States and South Korea are together determined to destroy it.

So what did Mr. Tillerson put on the table? He reassured the North not only that the United States doesn't seek regime change, but also that it doesn't seek accelerated reunification of the peninsula or "an

excuse to send our military north of the 38th parallel," thus putting himself at odds with Mike Pompeo, the C.I.A. director, who has hinted that he wants to see the North Korean government fall.

Mr. Tillerson insisted, as previous administrations have, that the North must agree to abandon its nuclear weapons before talks are held. That seems like a nonstarter, since no government would surrender its only bargaining chip like that. But administration officials have said privately that this does not mean the North Koreans must surrender the weapons, but, as one official said, "take good-faith steps to demonstrate their commitment to denuclearization" in the future, steps that have been explained to officials in the North, through their United Nations mission in New York.

Right now, there is a stalemate, set by years of broken promises and mistrust. Mixed messages from the Trump administration will only make it more difficult to move beyond it.

The New York Times Hostage Held by Al Qaeda in Mali for 5 Years Is Freed

Rukmini Callimachi and

Sewell Chan

6-7 minutes

A South African tourist who was abducted nearly six years ago from an inn in Timbuktu, Mali, by the North African branch of Al Qaeda

has been freed, officials said on Thursday.

The tourist, Stephen Malcolm McGown, 42, was the last of the "Timbuktu Three," who were abducted in late 2011, to be released. A Dutch citizen was rescued in 2015, and a Swedish man was released in June.

Mr. McGown's captivity had become a cause célèbre in South Africa, but his freedom came at a price: A retired European intelligence official said on Thursday that 3.5 million euros (about \$4.2 million) had been paid.

The retired official, who requested anonymity to discuss delicate

information, said that the payment was negotiated through Gift of the Givers Foundation, a South African charity that had campaigned for Mr. McGown's release. The former official said it was transferred by an undercover agent working for French security services in the Adrar des Iforas mountains in the deserts

of northern Mali where Qaeda militants have held hostages.

"It was an operation managed by France and South African intelligence through an intermediary," the former official said.

South Africa's foreign minister, Maite Nkoana-Mashabane, who announced Mr. McGown's release at a news conference in Pretoria on Thursday, responded vaguely when a reporter asked her whether a ransom had been paid.

"The South African government does not subscribe to payment of ransoms," she said. "That's why I focused on the work we have been doing in the past six years: campaigning, engaging with governments, and with the captors the way we know how. That's what we have been doing. And that's what we can confirm."

Gift of the Givers had previously been involved in an effort to free Yolande and Pierre Korkie, a South African couple abducted in Yemen in May 2013 by Al Qaeda in the Arabian Peninsula. The wife was released, but her husband and his cellmate — Luke Somers, an American photojournalist — were killed in December 2014, when United States commandos stormed the village where they were being held.

Intiaz Sooliman, the founder of Gift of the Givers, did not respond on Thursday to phone and email messages requesting comment.

The United States and Britain have strict no-ransom policies, but other countries, including France and Germany, have taken suitcases of cash to the desert to win the freedom of their citizens. The expenditures were disguised as "humanitarian aid to Africa."

The group that held Mr. McGown emerged as Al Qaeda's official branch in North Africa over a decade ago, rising to prominence in large part because of the extraordinary sums it garnered from ransoms. Starting in 2003, with the abduction of 32 European tourists who were freed after government payments estimated to total €5 million, the group has kidnapped dozens of foreigners, including travelers, aid workers and journalists.

Few people were released without a payment of some kind or some form of prisoner swap. Ransoms in at least some of the cases were negotiated directly by Al Qaeda's central leadership in Pakistan and Afghanistan.

Mr. McGown was freed a few days ago in northern Mali, an area dominated by Islamist militants.

He was taken hostage on Nov. 25, 2011, along with two European tourists: Sjaak Rijke of the Netherlands, who was freed by French commandos in Mali, and Johan Gustafsson of Sweden, who was released in June.

In their capture, the men were taken from the inn and herded into a truck at gunpoint. A fourth man — a German tourist who refused to get into the truck — was killed on the spot. Mr. Rijke's wife survived the raid; the gunmen evidently did not notice her.

Ms. Nkoana-Mashabane, the foreign minister, declined on Thursday to discuss the condition of Mr. McGown, now back in South Africa. "Is he receiving the necessary support — the requisite for any South African citizen who had gone through this very, very painful experience? The answer is yes," she said.

She pleaded with journalists to "allow him to resettle and regain his freedom."

Militants released a video showing six captives, including Mr. McGown, last month, before a visit to Mali by President Emmanuel Macron of France. Mr. McGown also holds a British passport.

Ms. Nkoana-Mashabane noted that Mr. McGown's mother died in May, while he was in captivity. "The

government once again extends its deepest condolences to Stephen and his family, as we did when this tragedy befell us," she said.

A New York Times tally of ransoms collected by Al Qaeda's affiliates conducted in 2014 found that the group had taken in at least \$125 million, with \$66 million paid just in 2013.

Unlike the Islamic State, also known as ISIS or ISIL, Al Qaeda has tended to see hostages as a product that it can monetize. A minority of its hostages have died while in custody, unlike those of the Islamic State, which both ransoms and regularly kills captives.

Sweden's foreign minister insisted that the country does not pay ransoms. In an interview with the Swedish broadcaster SVT that aired on June 29, Mr. Gustafsson expressed gratitude. "A few days ago, I sat alone and isolated in the Sahara," he said. "Today I sit here together with my family. I am home. I thank Sweden as a country for what they have done."

In an interview on South African television, Mr. McGown's wife, Catherine, said of their reunion, "He looked at me and said, 'Wow, your hair's grown!' I said, 'Your hair's longer than mine now!'"



How to Gut a Democracy in Two Years

Ernest Chanda

LUSAKA, Zambia — The slide toward dictatorship was abrupt. Two and a half years ago, Zambia was one of Africa's most stable democracies, a place so functional that it rarely made international headlines. Now it is "all, except in designation, a dictatorship," according to the country's influential Conference of Catholic Bishops. And that was before a state of emergency was declared in July, granting President Edgar Lungu sweeping powers of arrest and detention as his government grapples with a string of alleged arson attacks it blames on the political opposition.

Lungu, who narrowly won reelection last year, has moved forcefully to sideline his opponents. In April, his government detained opposition leader Hakainde Hichilema on what many believe to be trumped-up treason charges. Two months later, 48 opposition parliamentarians were suspended after they refused to attend the president's State of the Nation address. Last month, those same parliamentarians could do little more than abstain as the legislature rubber-stamped Lungu's state of

emergency declaration, which grants law enforcement "enhanced measures" to curb what the president has described as actions "bordering on economic sabotage." (To date, the government has produced no concrete evidence of sabotage, although it claims to have arrested 12 people in connection with the alleged arson attacks.)

The state of emergency measure, which passed with 85 votes from the president's party, seems designed to justify additional acts of repression. As it was being debated, in fact, two government ministers reportedly called on police to shoot dead anyone found near power installations — thought to be potential targets for sabotage — during the state of emergency, instead of arresting and prosecuting them. Gary Nkombo, the opposition's chief whip, described the comments by the two cabinet members as "an assault on our democratic credentials" and "disappointing to have come from people's representatives."

The first signs that trouble was brewing in Zambia came soon after Lungu ascended to the presidency in a January 2015

election that followed President Michael Sata's death in office. In his inaugural speech, he came out strongly against his opponents, and vowed not to tolerate what he termed unnecessary criticism. Lungu, who served concurrently as minister of defense and minister of justice in Sata's government, seemed paranoid from the start. He lashed out at enemies, real and perceived, and used the police and officials from his party to harass them. He also engineered the dismissal of the country's respected public prosecutor, Mutembo Nchito, prompting critics to warn that he was eroding the separation of powers enshrined in Zambia's constitution.

Things got markedly worse in the lead-up to the August 2016 general election, which pitted Lungu against Hichilema, an accomplished businessman and economist. Lungu's supporters brutalized members of the opposition, religious groups, and civil society organizations. They attacked Hichilema's political rallies in Lusaka and in Zambia's Copperbelt Province, areas with the most voters. At a campaign rally in Lusaka in June, Lungu warned Hichilema not to dispute the results

of the election, threatening unspecified consequences if he did. "If [Hichilema] refuses to accept the results," he said in the local Bemba dialect, "he will see what I will do to him."

Later, in July, the police cancelled one of Hichilema's rallies in Lusaka's Chawama Township, claiming they lacked manpower to secure the event. His supporters were incensed and they started protesting in the central business district. In the process, police confronted them and shot dead one female supporter, Mapenzi Chibulo. Later, Hichilema's campaign billboards were torn down and replaced by posters of Lungu.

As tensions mounted in the final months of the campaign, Lungu's government shut down the country's only independent newspaper, the *Post*, ostensibly over a delinquent tax bill. For 25 years, the *Post* had been one of Zambia's most outspoken media organs, providing critical coverage of the government and the opposition alike. Its closure was "clearly designed to silence critical media voices," the rights group Amnesty International said at the time.

On election day, the *Post's* downtown headquarters remained shuttered, although the paper's staff managed to publish an abbreviated edition from an undisclosed location (it continued to publish in secret for months, but has since stopped). Lungu prevailed by a razor-thin margin — 13,000 more votes for Hichilema and it would have gone to a run-off; the opposition rejected the result, claiming that the government had intimidated voters and rigged the ballot. Hichilema petitioned the Constitutional Court, but there was never a full hearing and the judges ruled in favor of Lungu — after his supporters camped out on the court premises and members of his party posted menacing messages on social media.

In office, Lungu has silenced anyone who questioned the legitimacy of his presidency.

In office, Lungu has silenced anyone who questioned the legitimacy of his presidency. In September, for example, his government pressured the country's regulatory body for electronic media, the Independent Broadcasting Authority, to shut down the biggest private television station, Muvi TV, and two community radio stations, claiming that they had operated unprofessionally during the campaign period. In fact, all they had done was air the opposition's point of view throughout the crisis.

Then in March, Lungu's supporters protested outside the offices of the Law Association of Zambia, the country's main bar association. They denounced the association's president, Linda Kasonde, calling for her resignation and for the dissolution of the body. Lungu's supporters claimed that the organization, like Muvi TV and the two radio stations, had become unprofessional. What it had done was offer guidance as to the constitutionality of Hichilema's petition — guidance that conflicted with Lungu's and his party's position. Later that month, a member of parliament from the president's party tabled a private bill to abolish the law association. After a public outcry, the bill was not debated in the last sitting of parliament, but it is still pending.

In addition to attacking Zambia's most trusted independent institutions, Lungu moved to neutralize the opposition. On the night of April 10, armed police raided Hichilema's residence. They tear-gassed the premises and broke down doors and windows. They picked up Hichilema the same night, and the following day he was officially charged with treason for obstructing the president's motorcade two days earlier in Mongu, a rural district in western Zambia. Both Hichilema and Lungu had been in the area to attend an annual traditional ceremony

organized by the Lozi ethnic group. Hichilema spent two months in detention at Lusaka Central Prison before being moved to a maximum-security prison in Kabwe, north of Lusaka. His trial is due to start on Aug. 14.

The international response to Hichilema's arrest — and to Zambia's slide toward authoritarianism in general — has been remarkably muted. No current African head of state condemned Hichilema's arrest, and Western powers were mostly circumspect. In an April 13 statement, for example, the U.S. Embassy in Lusaka said only that it remained "concerned over heightened political tension in Zambia, specifically noting the April 10 police raid of opposition leader Hakainde Hichilema's Lusaka residence and his subsequent arrest for treason." It urged "all actors to exercise restraint in addressing differences, to respect the rule of law and electoral proceedings, and to follow the due process Zambians expect from a country with a reputation for political pluralism and peaceful conflict resolution." China, one of Zambia's most important donors, has unsurprisingly refrained from criticizing Lungu's government throughout the crisis.

Lungu's government is in negotiations with the International Monetary Fund for a \$1.3 billion aid package that could revitalize the

country's flagging economy. Asked by a journalist if the state of emergency would negatively affect these negotiations, Lungu challenged the IMF to pull out if they were not happy with his decision. "If the IMF feels we have gone beyond the norms of good governance, they are free to go. I am sure the IMF would like to come to a country which is stable. If they think I have gone astray, let them go," he said.

With the opposition leader behind bars, and the press and civil society organizations muzzled, many fear that the state of emergency will sweep away the few democratic safeguards that remain. Lungu has defended the measure on the basis that it is necessary to preserve peace and stability. "This is not an easy decision to make," Lungu said in a televised address to the nation on July 5, "but in order to preserve peace, tranquility, safety of our citizens and national security, we had no choice but to take this decision given the events that have occurred in the recent past." Given that his government has produced no evidence of a conspiracy to sow chaos, save for the 12 people his government claims to have arrested since the state of emergency went into effect, few Zambians are convinced.



Even Critics of Rwanda's Government Are Helping Paul Kagame Stay in Power

Kavitha Surana

GICUMBI, Rwanda — Jennifer Niyonsaba was hunched over a sound-mixing board in a small production room with bare, yellow walls. A volunteer journalist at Radio Ishingiro, a community radio station in rural northern Rwanda, she had been out all morning, interviewing villagers who were upset that the government had ignored their complaints about the lack of public toilets and sanitation at a local market. Now she was working on a final cut of the radio story.

"We go to the people in order to hear their problems, and then we go to the authorities to see if they can help," Niyonsaba said, her eyes shining with enthusiasm.

Listeners to Radio Ishingiro, which broadcasts out of a modest building, have come to expect local muckraking of this sort. Virtually unheard of in this tightly controlled, authoritarian country, recent Radio Ishingiro investigations have focused on contentious issues like a new urban plan that would displace

some villagers and angry government workers who say they were never paid for their labor. Local officials who at first bristled at the plucky radio reports have adjusted to calling into shows to answer questions and defend their actions.

In addition to covering local news with a critical eye, the staff of Radio Ishingiro holds bimonthly community debate meetings, where residents can question local officials directly about policies that affect their day-to-day lives. Every other month, they gather at a different sector of Gicumbi, a rural district of rutted roads and tea plantations about two hours by car from the capital, Kigali. At the first one, held in October 2016, nearly 1,500 people showed up, outraged by an ill-defined urban improvement plan that would have forced residents to buy expensive new toilets and kitchens.

"The population was very furious, they couldn't even clap for the mayor," recalled Ildephonse Sinabubariraga, the station's managing director. But they applauded the Radio Ishingiro

moderators, who pressed the mayor for specific details as he tried to squirm away. Ultimately, the mayor scaled back the plan and allowed people to use cheaper materials. "The people started getting solutions," responses, Sinabubariraga said.

This type of media activism is no small feat in Rwanda, where the government has ruthlessly muzzled the press, to the point that almost all coverage of the government from inside the country amounts to propaganda. Rwanda has strict laws prohibiting "divisionism" and "genocide ideology" that in practice stifle speech. And in recent years, as Anjan Sundaram documents in his 2016 book, *Bad News: Last Journalists in a Dictatorship*,

Rwandan journalists have been co-opted by campaigns of intimidation, run out of the country, and even killed

Rwandan journalists have been co-opted by campaigns of intimidation, run out of the country, and even killed. Political dissidents have

likewise been jailed, tortured, and murdered — sometimes pursued and assassinated abroad.

In such a political climate, haranguing local officials and bringing injustices to light might seem like a death wish. But Radio Ishingiro has been digging up dirt since Sinabubariraga took over the station in 2013, and not one of its 16 journalists has been harassed or detained. "Whatever is in our community, we have the full power to investigate it, and then to run stories or radio programs," he said.

On its face, the government's tolerance of the station is puzzling. But upon closer inspection, there is a sinister logic to it that helps explain how President Paul Kagame has consolidated control over Rwanda in the 23 years since his rebel army helped bring the country's brutal genocide to an end.

On Aug. 4, Rwandans will head to the polls to decide whether to grant Kagame another seven-year term. (They almost certainly will. Despite the popular hashtag

#RwandaDecides, his two remaining challengers are little more than placeholders allowed to run in order to preserve the illusion of democracy.) Having already served two elected terms in office — and effectively controlled the government since 1994 — Kagame would have been constitutionally required to step down this year. But in a 2015 referendum, Rwandans voted to amend the constitution, paving the way for him to run again and potentially remain in office until 2034.

The president claims to have had nothing to do with organizing the referendum, which saw 98 percent of voters obediently cast a ballot for the change, according to the official tally. (Advocacy groups like Human Rights Watch charge that many Rwandans voted for the measure out of fear.) Kagame, however, has portrayed himself as a selfless public servant reluctantly answering the call of duty.

"You requested me to lead the country again after 2017. Given the importance and consideration you attach to this, I can only accept," he said after the constitutional referendum passed. "But I don't think that what we need is an eternal leader."

Kagame's carefully cultivated savior identity has been key to his political success. Only *he* was capable of halting the genocide — an official narrative that conveniently ignores the subsequent mass killings carried out by Kagame's Rwandan Patriotic Front — and only *he* can lead the country toward a peaceful and prosperous future.

"In front of the population, he is seen as someone who is caring about them, the person who is protecting them," said Rene Claudel Mugenzi, a Rwandan human rights activist who lives in Britain and has faced death threats from the Rwandan government. "It's one of the strategies he is using to get people behind him, to think that he is the person who is necessary — that without him they are finished."

The savior has undoubtedly delivered for many Rwandans. A brief visit to Kigali leaves one with the impression that Kagame has figured out the secret to progress and reconciliation in a country that many saw as an ungovernable basket case just two decades ago. Rwanda's political stability, coupled with its remarkable economic success in recent years, has led many Western

investors and governments to give it a pass in the democracy department.

The stark contrast between Kigali's clean, orderly streets and the chaos that engulfs most African capitals has become a kind of cliché parroted by visiting journalists. But there is no denying the impressive modern buildings sprouting up along the city's lush, tree-lined roads or the national pride that many young Rwandans espouse. The country has framed itself as a leader of African progress — and indeed, when African Union heads of state elected Kagame to the rotating AU chairmanship for 2018 it was seen as a step toward institutional reform, inspiring predictions that the "Rwandan model" will soon be exported across Africa.

But there is a sort of *Pleasantville* quality to the country, which has eagerly taken on the moniker of the "Singapore of Africa." Each morning, women in green uniforms descend to Kigali's streets to sweep and weed.

Everyone meticulously drives the speed limit, no one asks for bribes, and the city's roundabouts are all perfectly manicured with little green hedges and colorful flowers.

Everyone meticulously drives the speed limit, no one asks for bribes, and the city's roundabouts are all perfectly manicured with little green hedges and colorful flowers. Everywhere you turn, positive news of Rwanda's success and development abounds. A typical Sunday cover of *New Times*, Rwanda's main English-language newspaper, was plastered with a photo of a thin, bespectacled Kagame sandwiched between Bill Gates and the prime minister of Norway at the Munich Security Conference, plugging Rwanda's successful sustainability model.

But beneath this shiny veneer is a ruthless dark side of the Rwandan success story. The parliament may be lauded by Western governments and some nongovernmental organizations as a model for gender equality, with women holding 64 percent of seats in the Chamber of Deputies, which does little more than rubber-stamp Kagame's edicts. The Rwandan president, meanwhile, is thought to have ordered the assassination and enforced disappearance of hundreds of critics, both inside and outside the country. A recent investigation by Human Rights Watch found that even petty criminals have been

summarily executed by his security services.

David Himbara, a former economic aide to Kagame who fled to Canada and sought asylum, said Kagame "is a dictator who doesn't simply see violence as a means to an end, but openly delights in it."

Kagame often denies these allegations with a wink and a nod. At a prayer breakfast in Kigali in 2014, he dismissed accusations that he ordered the assassination of former intelligence chief Patrick Karegeya, who was found strangled in South Africa, but asked provocatively: "Shouldn't we have done it?" Moments later, he implied it was honorable for Rwandans to use violence against those who divide the country. "For me, I signed up even for confrontation," he said.

It was Kagame, the savior, volunteering to dirty his hands in the service of a more unified nation. And therein lies the likeliest explanation for why Radio Ishingiro is allowed to keep demanding accountability from local officials, even if it means airing embarrassing truths about the government.

For every problem blamed on local authorities, Kagame is the solution. This dovetails perfectly with his relentless push for efficiency, accountability, and consensus — a campaign he promotes at home on the stump and abroad in places like the World Economic Forum in Davos. Often, he responds to Rwandans' questions and concerns directly. Last year, for example, a journalist tweeted a story to Kagame suggesting that Kigali's downtown area should be turned into a pedestrian-only zone. Kagame tweeted back, "I agree with him. Will check with the Mayor!" The next week, cars were banned. Other times, Kagame makes a show of going to remote villages to hear complaints, dressing down officials who haven't done their job properly on the spot.

"President Kagame is known for making time to go deep down in villages to meet ordinary citizens," Kim Kamasa, the first secretary of the Rwanda High Commission in Nairobi, wrote on July 21 in the *New Times*, defending Kagame's record. "These gatherings are known to cause fear among Government officials since citizens use this opportunity to raise issues that are of concern to their well-being and at times expose some officials who have not carried out their duties to the satisfaction of the people."

But the buck always stops only at the local level, and journalists know better than to demand accountability from Kagame's administration. "That kind of journalism is limited —

Kagame is not touched, the top officials are not touched, just the lowest-level politicians

Kagame is not touched, the top officials are not touched, just the lowest-level politicians," said Mugenzi, the Rwandan human rights activist living in the U.K. "The government wants to control the low-level authorities to keep them afraid, so they can use that fear to control them."

Journalists at Radio Ishingiro, which receives funding from partners such as USAID, the European Union, and international NGOs like the U.S.-based peace-building organization Search for Common Ground, are frank about the fact that they would never openly criticize Kagame's administration or allow opposition figures outside the country to speak on air. Sinabubariraga, the radio's managing director, even dismisses the accounts of journalists who have fled the country, saying they are just making excuses to claim asylum abroad.

But as one of four community radio stations not funded by the government, the staff at Radio Ishingiro have opened up a small but significant space for dissent for some of the poorest and most disenfranchised Rwandans. Sinabubariraga says that residents of Gicumbi, once wary of questioning authorities, have come to count on the station for local news and that they expect the journalists to advocate on their behalf.

"The people trust the radio station," he said proudly.

But people also trust Kagame, by and large — which is why he will likely win this week's vote by an overwhelming margin without having to even think about rigging ballot boxes. Sinabubariraga, like many Rwandans, struggled to imagine a future without the soft-spoken president at the helm. "If there's no Kagame, what will happen?" he asked. It's a question that could keep Rwanda's president in office for many years to come.



Miller : What Donald Trump doesn't get about diplomacy

Aaron David Miller is a vice president and

distinguished scholar at the Woodrow Wilson International

Center for Scholars and author of "The End of Greatness: Why

America Can't Have (and Doesn't Want) Another Great President."

Miller was a Middle East negotiator in Democratic and Republican administrations. Follow him @aaronmiller2. Richard Sokolsky is a non-resident senior Fellow at the Carnegie Endowment for International Peace. From 2005-2015, he served as a member of the Secretary of State's Office of Policy Planning. The views expressed in this commentary are their own.

(CNN)Our greatest presidents were by and large men who kept their private thoughts and feelings to themselves and didn't share them with many others, even while they projected larger than life public personas on the national stage. Donald Trump, on the other hand, and not to put too fine a point on it, seems to say what's on his mind in public; he's unscripted and unplugged and far too often does not fully appreciate the consequences his words carry.

leaked transcripts

of his two conversations with Mexico's President Enrique Peña Nieto and Australian Prime Minister Malcolm Turnbull are quite revealing in both style and substance. Indeed, in addition to raising the obvious question of why there seem to be so many leaks in this White House, the conversations reflect Trump's thinking on how his world relates to the foreign leaders with whom he's dealing.

These calls were made within the first month of his presidency, and he has likely learned a lot since then. But the initial read reveals a man so focused on his own needs and requirements that he can't seem to make much room for anyone else's.

Why the leaks?

In our nearly six decades of working at the State Department, it's our assessment that leaks generally fall into five categories: personal, political, bureaucratic, policy, and authorized. We don't know who is responsible for what appears to be mainly unauthorized leaking. Among the possibilities, it could be individuals from other agencies who resent the President's trash talking and budget cutting that threaten their mission, leadership and credibility. It could be individuals within the White House who are out to discredit or diminish their rivals or to advance their own personal agendas amid the cacophony of voices surrounding the President.

What has been remarkable about the Trump White House is that, with a few exceptions, all of the leaks have been in the first three categories; they involved neither unauthorized disclosure of sensitive national security information nor the airing out of disagreements over foreign policy.

But take away the dysfunction -- the self-inflicted wounds over "Russiagate," the un-presidential behavior, the gross incompetence in managing policy and the White House's legislative agenda, and a totally disorganized White House operation -- and it's a good bet that most of the leaks would have never occurred.

Master negotiator?

During the campaign, Trump prided himself on cutting the best deals for America and driving a stake through the heart of every agreement or major legislative achievement negotiated by his predecessor, such as the Paris Climate Accord and perhaps soon the Iran nuclear deal.

And yet despite his bluster in both conversations on the building of the border wall that Mexico is going to pay for and the agreement to take a limited number of refugees from Australia, it's stunning how quickly the master of the "Art of the Deal" backs off his opening positions and implicitly concedes that they were just ploys.

After the Mexican President adamantly but courteously opines that "Mexico cannot pay for that wall," Trump

responds

"but you cannot say that to the press," all but admitting that he knows Mexico won't pay for the wall. He is far more concerned -- even obsessed -- that the Mexican President not undermine his political position at home.

And by the end of his very tough talk with Turnbull, who keeps pressing Trump on Obama's commitment to take the 1,250 refugees who had tried to enter Australia by boat, Trump succumbs, arguing to save face that it's a "disgusting deal" but he'd honor "my predecessor's deal."

These calls demonstrate in stunning fashion that, however unpleasant the conversations, both Peña Nieto

and Turnbull got what they wanted and, in the process, the best of Trump.

It's all and always about Me

Talk about a political tin ear. The President of the United States asks the President of Mexico to lie in public just to protect Trump with his base. The "ask" reflects a remarkable degree of both naiveté and cynicism. For a President who seems obsessed with playing to his base, it never seemed to occur to him that Peña Nieto has to protect not only his own base, but also his credibility and standing among all Mexicans.

Trump is

focused on his own image

and needs, incapable of understanding or empathizing with Peña Nieto's political needs. And because Trump has only a casual relationship with the truth and thinks nothing of misleading the American public, he naturally assumed that his Mexican counterpart would be equally unburdened by the same norms.

Why the contention?

It's striking how quickly the tone of the conversation with both leaders escalated, largely because of Trump's aggressiveness, impatience and inability to have his own way. The President seems to have little sense that building relationships requires time and the capacity to listen with a measure of empathy, even though he may not agree.

In a first conversation as President (as opposed to conversations during a campaign as a candidate), he needed to be ready to accept the dictum that you rarely get a second chance to make a first impression. Trump seems oblivious to this rather elemental law of human interaction as evidenced by his outbursts with Turnbull -- a close American ally with whom he has little reason to argue, let alone offend.

"I have had it," Trump

exploded

after an exchange on refugees. "I have been making these calls all day, and this is the most unpleasant call all day." And then in another

gratuitous remark he goes on to refer to Putin as a "pleasant call," as if the Russian leader represented some paragon of virtue and courteousness in comparison with a longstanding US ally.

It's not surprising but still utterly incomprehensible why Trump accords this protected political space to a US adversary and explodes in friendly first contact with a close American neighbor and ally. One can only imagine how Trump would perform in a true crisis situation negotiating with a recalcitrant ally or a tough-minded adversary if he cannot handle pro-forma introductory calls with friendly partners.

Knowing what you don't know

Former Secretary of State James Baker had an alliterative expression that he learned from his grandfather about success in life and politics. "Prior preparation prevents poor performance." And having worked for Baker, we know he lived it. The notion that you have to know what you don't know and be in a hurry to find out is one of the key attributes of a successful presidency, too.

These transcripts don't reveal highly classified information or state secrets. What they do reflect is a president who was not prepared for these conversations, was unfamiliar with the issues and focused on politics rather than policy, and was bereft of any sense of the leaders with whom he was dealing.

Maybe Gen. John Kelly, his new chief of staff, will be able to stop the leaks and manage to bring the White House staff into line. Perhaps he can help ensure that Trump is as well-briefed as he can be for his encounter with foreign leaders.

What Kelly cannot easily do is alter Trump's temperament and instill the judgment, wisdom and emotional intelligence required for real leadership. Today America faces trying times at home and abroad. And it will take a president with nothing less to see the nation through them.

Note: The authors of this article say there are five categories of leaks; an earlier version listed only four.

POLITICO GOP lawmakers square off against Trump

By ELANA SCHOR and SEUNG MIN KIM

Senate Republicans spent their last week before a four-week August recess on a series of moves with one main goal: Reining in Donald Trump.

The GOP delivered an unstated declaration of independence from their own Republican president by passing a Russia sanctions bill he resisted, rebuffing his demands they try again on health care after the spectacular implosion of Obamacare repeal, even taking steps to head off any attempt by Trump to fire the special counsel investigating him, Robert Mueller.

Story Continued Below

Trump's attempts to blame and strong-arm Senate Republicans came amid mounting frustration over his stalled agenda in Congress during what's typically the most prolific stretch of a new administration.

Indeed, the breach between the executive and legislative branches appears to be widening, despite their shared party affiliation.

"That's a good thing, right?" South Dakota Sen. John Thune, the third-ranking GOP leader, said of the moves to establish more independence from Trump. "It's important that Congress assert its authorities under the Constitution and be an equal branch of the government."

Republicans disputed Trump's Thursday claim that U.S.-Russia relations have frayed, thanks to congressional sanctions that Congress passed overwhelmingly and Trump signed into law, albeit with major reservations. Instead, lawmakers laid blame squarely at the feet of the president's would-be ally, Russian President Vladimir Putin.

And in another clear signal of distance from the White House, two GOP senators joined Democrats on separate pieces of legislation designed to shield the special counsel — investigating potential collusion between the Trump campaign and Russian officials — from any attempt to fire him.

Sen. Thom Tillis (R-N.C.), who partnered with Sen. Chris Coons (D-Del.) on the new bill to help Mueller be reinstated if fired by Trump, told POLITICO that the proposal is "one of a number of things I'm looking at to try and seize the opportunity for us to strengthen this institution and reinstate some of the authority it's conveyed down the street" to 1600 Pennsylvania Ave.

"If you look back over the last 75 years, there have been a number of instances where Congress has conveyed authority to the president because it happened to be their president in the White House," Tillis added. "It's more appropriate to be reserved here on Capitol Hill."

Trump escalated his combative rhetoric toward Senate Republicans this week, suggesting that they would be "total quitters" for ending their efforts to repeal Obamacare. Even after signing a bipartisan package of sanctions against Russia, Iran and North Korea, Trump blamed Congress in a tweet for pushing relations with Moscow to "an all-time and dangerous low."

Republicans rejected both arguments before leaving Washington.

They're set to return to the Hill after Labor Day with an array of arduous battles ahead, from raising the federal debt ceiling, to avoiding a government shutdown, to crafting a tax bill — and perilously few legislative days remaining in the year. Not to mention Trump's dimming approval ratings, which will only slice into the political capital

needed to achieve the ambitious agenda the GOP promised voters.

Several Republicans said Thursday that their assertion of power was nothing more than a continuation of their resistance to Trump's predecessor.

"I think the Founding Fathers anticipated a tension between the" legislative and executive branches, Sen. Bill Cassidy (R-La.) said in an interview. "And this is the healthy tension. Even if the president is of your own party, there should still be that tension."

Sen. Jerry Moran (R-Kan.) agreed: "For as long as I've been in Congress, and particularly since I've been in the Senate, I look for a stronger Congress."

Even while absent from the Capitol while receiving treatment for brain cancer, Sen. John McCain (R-Ariz.) — who dealt the fatal blow to his chamber's Obamacare repeal bill last week — took time to blast Trump for criticizing the Russia sanctions bill.

"Our relationship with Russia is at a dangerous low," McCain tweeted. Rather than Congress, he added, "you can thank Putin for attacking our democracy, invading neighbors & threatening our allies."

Trump is running into Republican obstacles seemingly everywhere he turns these days.

On health care, GOP senators have ignored his demands to keep trying to repeal Obamacare, moving on to other priorities, such as confirming key administration nominees and looking ahead to tax reform. If anything happens on Obamacare at the moment, it'll be bipartisan fixes that will come nowhere close to the promise of repeal that Trump pledged on the campaign trail.

The president is even threatening to blow up the health care system by cutting off Obamacare's cost-

sharing subsidies, which help stabilize insurance markets, as a tactic to destroy the 2010 health care law and force Democrats to negotiate.

No dice, say key Republican senators.

"I've recommended that he continue it," Sen. Lamar Alexander (R-Tenn.), chairman of the Senate Health, Education, Labor and Pensions Committee, said of the payments. "I hope that he will."

Even Trump's beloved border wall continues to run into resistance from Republicans.

Senate Majority Whip John Cornyn of Texas and three other GOP senators unveiled immigration legislation on Thursday that called for more border enforcement but made clear that a wall sealing off the U.S.-Mexico border was not their preferred route.

Cornyn said in an interview that there is now a "tremendous opportunity" for Congress to take the lead on policy.

"As we've seen on the Russian sanctions bill, sometimes the president will come along, even reluctantly, and we'll be able to make progress," Cornyn said. "Historically, it hasn't always been the case that the president is the one who sets the policy and Congress responds. It was that Congress led. And I think this is the opportunity we have now and I welcome that."

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The New York Times

John Kelly Quickly Moves to Impose Military Discipline on White House (UNE)

Glenn Thrush, Michael D. Shear and Eileen Sullivan

WASHINGTON — In his six months as Homeland Security secretary, John F. Kelly often described the White House as one of the most dysfunctional organizations he had ever seen, complained to colleagues and allies about its meddling, incompetence and recklessness, and was once so angry he briefly considered quitting.

Now as President Trump's chief of staff, he is doing something about it — with a suddenness and force that have upended the West Wing.

Mr. Kelly cuts off rambling advisers midsentence. He listens in on conversations between cabinet secretaries and the president. He has booted lingering staff members out of high-level meetings, and ordered the doors of the Oval Office closed to discourage strays. He fired Anthony Scaramucci, the

bombastic New Yorker who was briefly the communications director, and has demanded that even Mr. Trump's family, including his daughter Ivanka Trump and son-in-law, Jared Kushner, check with him if they want face time with the president.

On Wednesday, his third day on the job, he delivered a message about respecting chains of command, backing the decision of Lt. Gen. H. R. McMaster, the national security

adviser, to dismiss Ezra Cohen-Watnick, a Kushner ally and staff member on the National Security Council. It was a move Mr. Kushner and Stephen K. Bannon, the president's chief strategist, had long opposed, according to two administration officials.

Whether Mr. Kelly, a retired Marine general, will succeed in imposing military discipline on the faction-ridden White House remains in doubt; Mr. Trump has never been

known to follow anybody's direction, in Trump Tower or the White House. But Mr. Trump has never encountered anyone quite like Mr. Kelly, a combat veteran whose forceful management style and volatile temper are a match for the president's.

"He'd basically look at me and say, 'I think that proposal is four-letter-word nuts,'" said Leon E. Panetta, who as defense secretary made Mr. Kelly his chief military aide. "John is the kind of guy who will look you in the eye and tell you what the hell he is thinking. The real question is whether the president will give him the authority he needs to do the job."

People close to Mr. Kelly said he resisted weeks of entreaties by the president, beginning in May, before finally agreeing to replace Reince Priebus out of a sense of soldierly duty. That he understands the sobering realities of his new deployment could be seen in his unsmiling mien while sitting next to Mr. Trump for a photo opportunity this week.

Among Mr. Kelly's immediate challenges: brokering peace between warring factions in the West Wing; plugging leaks about internal activities; establishing a disciplined policy-making process; and walling off the Russia investigations.

Mr. Kelly, 67, has told his new employees that he was hired to manage the staff, not the president. He will not try to change Mr. Trump's Twitter or TV-watching habits. But he has also said he wants to closely monitor the information the president consumes, quickly counter dubious news stories with verified facts, and limit the posse of people urging Mr. Trump to tweet something they feel passionately about.

He has privately acknowledged that he cannot control the president and that his authority would be undermined if he tried and failed. Instead, he is intent on cossetting Mr. Trump with bureaucratic competence and forcing staff members to keep to their lanes, a challenge in an administration defined by tribal loyalties to power players like Mr. Kushner and Mr. Bannon.

"Several times I've been on phone conversations with the president over the last couple of days and General Kelly has been on those conversations as well," Mick Mulvaney, the director of the Office of Management and Budget, told reporters on Thursday when asked if Mr. Kelly was making a mark.

The Trump White House is a judge-a-book-by-its-cover workplace, and staff members have been struck by Mr. Kelly's bearing: tall, stern and commanding a respect Mr. Priebus never did. People close to Mr. Kelly said they expected him to methodically assess his new staff before making more drastic changes — and he has told people that he wants to improve morale before attacking the organizational chart.

Mr. Kelly has not been shy about letting Mr. Trump's staff members know when they screwed up, ripping into West Wing aides during the chaos surrounding the president's original travel ban when he was at the Department of Homeland Security. While he supported the broad policy goals, he was furious that he and his sprawling agency's staff were caught off guard by a directive that was conceived and carried out by inexperienced aides in the White House, according to several longtime Trump advisers.

People close to Mr. Kelly said he also bristled repeatedly at efforts by Mr. Bannon and Stephen Miller, the president's senior adviser, to install people they liked in his department. Mr. Kelly eventually won pitched battles over who would become director of Customs and Border Protection and head of the Secret Service, officials said. But Mr. Bannon has had a longstanding alliance with Mr. Kelly, supporting many of his other appointments.

In May, Mr. Kelly considered resigning after Mr. Trump's firing of James B. Comey, the F.B.I. director, telling Mr. Comey in a phone call that he was thinking about doing so to protest the president's actions, according to a former law enforcement official familiar with the conversation.

A senior White House official briefed on the exchange by Mr. Kelly said he never threatened to

quit, but confirmed that he called Mr. Comey.

Days later, Mr. Kelly objected strenuously to the decision by Thomas P. Bossert, Mr. Trump's Homeland Security adviser in the White House, to take control of the response to a global cyberattack — a role traditionally played by Mr. Kelly and his department's cybersecurity division.

On Capitol Hill, Mr. Kelly is viewed with a mix of admiration for his long military service and disappointment that he has been too willing to embrace and defend Mr. Trump's more controversial policies, especially on illegal immigration.

In closed-door meetings with House members in March, Democrats questioned Mr. Kelly about aggressive immigration sweeps at churches and hospitals. The frustration grew as Mr. Kelly disputed that such sweeps were happening, even in the face of enlarged photos showing a Homeland Security vehicle parked on the grounds of Christ Cathedral in Garden Grove, Calif.

"He'll push back hard," said Representative Lou Correa, Democrat of California, who presented the photographic evidence to Mr. Kelly during the meeting.

The next month, Mr. Kelly offered a taste of his blunt approach, telling lawmakers they could "shut up" if they did not like the laws his department was charged with enforcing.

"He's never come to Capitol Hill and blown smoke to senators and congressmen," said Senator Tom Cotton, an Arkansas Republican and former Army officer who is close to Mr. Kelly.

Dealing with Mr. Trump's family, especially Mr. Kushner, will not be so simple.

In an interview in May, Mr. Kelly came to the defense of the president's son-in-law, who has an office in the West Wing as a White House adviser, against charges that he had tried to set up an inappropriate communications channel with Russia. He called Mr. Kushner "a great guy, a decent guy."

In discussions with Mr. Trump about moving to the White House, Mr. Kelly also insisted that Mr. Kushner and Ms. Trump, who is also a White House adviser, report to him. They both agreed, in part because they wanted to see Mr. Priebus ejected as quickly as possible, and in part because they recognized Mr. Trump's presidency needed to be professionalized.

A lingering personnel question gave Mr. Kelly a chance to assert his position at the top of the West Wing. Aides said the ouster of Mr. Cohen-Watnick was intended as a show of confidence from Mr. Kelly to Mr. McMaster. Mr. Kushner did not object to the decision, and had conceded that Mr. McMaster was going to fire his friend three weeks ago, according to a person close to the Trump family.

Robert M. Gates, the former defense secretary, who has known Mr. Kelly for two decades, said the fact that the president agreed to have family members report to the new chief of staff was "a really important first step."

"The question is, does it last?" he added. "But it sends a powerful signal to the rest of the people in the White House."

Mr. Gates, who was also Mr. Kelly's boss as defense secretary, recalled the times he sat with Mr. Kelly at the Pentagon across a small conference table once used by Jefferson Davis when he was secretary of war. Mr. Gates would tell Mr. Kelly what he was planning to do and Mr. Kelly would say, "You could do it that way."

What that really meant, Mr. Gates said, was "that's the stupidest idea I've ever heard in my entire life." Mr. Kelly would then offer another — often better — option, Mr. Gates said.

Mr. Panetta, who served as President Bill Clinton's chief of staff before he went to the Pentagon, said he urged Mr. Kelly to buy a "big bottle of Scotch" when he agreed to take the job.

A White House spokeswoman did not know if he had gotten around to buying one yet, but said the new chief of staff preferred Irish whiskey.



Mueller Crosses Trump's 'Red Line,' as Aides Pray Trump Behaves

Betsy Woodruff Federal investigators are reportedly probing Donald Trump's finances, and his staff is nervously awaiting the president's all-but-

inevitable, cable news-fueled response.

Justice Department special counsel Robert Mueller is looking into Trump and his family's personal financial matters, CNN reported on

Thursday. He has also escalated the investigation with subpoenas, a new federal grand jury, and additional staff that together indicates the probe is intensifying.

As news of that expansion trickled out Trump was on the way to West Virginia for a campaign rally. There he stayed on message—only briefly railing on Democrats, repeating a familiar White House line that the

investigation is part of a “totally made up Russia story” concocted by Hillary Clinton’s allies.

“There were no Russians in our campaign. There never were,” Trump said, misstating the nature of the allegations against him. The entire premise of the investigation, he insisted, is a “total fabrication.”

Left unsaid was what, if anything, he plans to do about it.

Inside the White House, it’s not just the potential legal jeopardy that has officials concerned; it’s how President Trump might react to news that his and his family’s finances are under investigation—and the political and legal consequences that could ensue from a Trump backlash against the news.

“Outside counsel is handling all that so legal developments aren’t really front and center,” one senior Trump official told *The Daily Beast* of the expanded scope of the investigation, and news that Mueller has impaneled a grand jury in Washington. *The Daily Beast* independently confirmed that development on Thursday, a development that signals the investigation is picking up steam.

Related in Politics

“The worry is what the president does now,” the official said. “Whether he does something that’s gonna make everything else even more difficult.”

The official alluded to Trump’s interview with the *New York Times* last month, in which he agreed that Mueller would cross a “red line” by expanding his investigation from alleged Russian election meddling into the Trump family’s finances. Jay Sekulow, a member of the president’s outside legal team, reiterated that position to CNN on Thursday. “Any inquiry from the special counsel that goes beyond the mandate specified in the appointment we would object to,” he said.

Mueller and his team are now firmly on the wrong side of that “red line,” and Trump staffers are worried at

the prospect that he could follow through on his treat—or at the very least dig the White House deeper into a legal and public relations hole with ill-considered tweets or public statements that have become his hallmark.

“Just keep him off the Twitter and on the teleprompter,” the White House official said. Officials spoke on the condition of anonymity because they weren’t cleared to discuss these sensitive matters.

Trump can’t technically fire Mueller, but he can direct deputy attorney general Rod Rosenstein to do so. The move would set off a political firestorm, and likely draw criticism from both sides of the political aisle.

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Two bipartisan Senate bills are already making their way through that chamber that would remove the president’s authority to oust the special counsel. Sen. Chris Coons, a Delaware Democrat and a sponsor of one those bills, raised the possibility that Trump might try to do so while the Senate is on its August recess.

The president “would be taking a risk if he assumed that he could act because the Senate was fully in recess,” Coons told reporters on Thursday. Senators could return to Washington over the recess to block him from firing Mueller, who is extremely popular on Capitol Hill, Coons said. Republicans and Democrats have warned Trump in recent weeks that it would be politically toxic if moves to remove the special counsel.

Even internally, Trump could face renewed pushback against any move on Mueller from his newly minted chief of staff. Two White House officials tell *The Daily Beast* that retired Marine Corps general John Kelly, who took over for ousted chief of staff Reince Priebus, would strenuously oppose the president if he tried to remove Mueller.

“I can’t imagine he’d sit idly and watch that happen,” one of the officials said, though neither specified what action he might take if Trump went that route.

For months, White House advisers have been urging the president—who has no qualms venting about Mueller and other top law-enforcement officials publicly—not to order the firing of Mueller, as aides generally recognize the “apocalyptic shitstorm,” as one White House adviser put it, that would result.

“[Trump] has gone up to the line of and flirted with the idea of firing [officials], including Sessions,” the Trump adviser said. “But we’re not at code red at all yet.”

Nevertheless, legal experts say the president has a history of digging himself deeper into a legal hole as new developments in the Russia investigation emerge. “Trump and his team seem incapable, as a matter of character, to react to [news of a new grand jury] in a prudent way or follow good advice or do the things you have to do to survive it,” Ken White, a former federal prosecutor who now practices criminal defense, told *The Daily Beast*.

“People react really stupidly to these proceedings all the time,” White explained. “They convince other people to lie for them, they destroy documents, they come up with lies they’re going to tell themselves, they do all sorts of idiotic things—not realizing part of a fed prosecutor’s point is often to drive them to do that.”

Multiple White House sources emphasized that, though some of this Russia-related news from

Thursday isn’t entirely new, several major stories breaking in the span of one afternoon ups the chances of Trump-Russia investigation news playing wall-to-wall on the news—thus greatly increasing the chances the president will notice the coverage, become distracted by it, grow infuriated by it, and lash out.

According to several Trump confidants, the president continues to regularly slip into casual, unrelated, and private conversation that he is “not under investigation”—a habit and verbal tick since at least the early summer—instead blaming bad PR, “phony” and “fake” stories, and “witch hunts” for his woes.

And Trump and his team are sticking to their story, even as the revelations pile up.

In response to the news Mueller was seating a grand jury in DC, White House press secretary Sarah Huckabee Sanders sent out a statement underscoring President Trump’s position, and the official White House line, that “former FBI director Jim Comey said three times the president is not under investigation and we have no reason to believe that has changed.”

For a young administration that is now used to experiencing fast, unexpected clips of politically inconvenient and legally complicating news, the past two weeks have been particularly chaotic for Team Trump. However, not every Trump ally is feeling the pressure this week.

Multiple senior members of Trump’s campaign—who all lost out on top slots in the Trump White House, some of whom continue to stay in contact with the president—contacted by *The Daily Beast* on Thursday evening could all only marvel at how lucky they were to not work in the administration in this time of that they “do not have to deal with this shit” today, as one bluntly noted.

THE WALL STREET JOURNAL

Special Counsel Robert Mueller Imppanels Washington Grand Jury in Russia Probe (UNE)

Del Quentin Wilber and Byron Tau

Special Counsel Robert Mueller has impaneled a grand jury in Washington to investigate Russia’s interference in the 2016 elections, a sign that his inquiry is growing in intensity and entering a new phase, according to people familiar with the matter.

The grand jury, which began its work in recent weeks, signals that Mr. Mueller’s inquiry will likely continue for months. Mr. Mueller is investigating Russia’s efforts to influence the 2016 election and whether President Donald Trump’s campaign or associates colluded with the Kremlin as part of that effort.

A spokesman for Mr. Mueller, Joshua Stueve, declined to comment. Moscow has denied seeking to influence the election, and Mr. Trump has vigorously disputed allegations of collusion. The president has called Mr. Mueller’s inquiry a “witch hunt.”

Ty Cobb, special counsel to the president, said he wasn’t aware that Mr. Mueller had started using a new grand jury. “Grand jury matters are typically secret,” Mr. Cobb said. “The White House favors anything that accelerates the conclusion of his work fairly... The White House is committed to fully cooperating with Mr. Mueller.”

Before Mr. Mueller was tapped in May to be special counsel, federal prosecutors had been using at least one other grand jury, located in Alexandria, Va., to assist in their criminal investigation of Michael Flynn, a former national security adviser. That probe, which has been taken over by Mr. Mueller's team, focuses on Mr. Flynn's work in the private sector on behalf of foreign interests.

Mr. Mueller requested in recent weeks that Chief Judge Beryl A. Howell of the U.S. District Court for the District of Columbia impanel a grand jury for his use. She granted the request, according to people familiar with the probe.

Grand juries are investigative tools that allow prosecutors to subpoena documents, put witnesses under oath and seek indictments, if there is evidence of a crime. Legal experts said Mr. Mueller's decision suggests he believes he will need to subpoena records and take testimony from witnesses.

A grand jury in Washington is also more convenient for Mr. Mueller and his 16 attorneys—they work just a few blocks from the U.S. federal courthouse where grand juries meet—than one that is 10 traffic-clogged miles away in Virginia.

"This is yet a further sign that there is a long-term, large-scale series of prosecutions being contemplated and being pursued by the special counsel," said Stephen I. Vladeck, a law professor at the University of Texas. "If there was already a grand jury in Alexandria looking at Flynn, there would be no need to reinvent the wheel for the same guy. This suggests that the investigation is bigger and wider than Flynn, perhaps substantially so."

Thomas Zeno, a federal prosecutor for 29 years before becoming a lawyer at the Squire Patton Boggs law firm, said the grand jury was "confirmation that this is a very vigorous investigation going on."

"This doesn't mean he is going to bring charges," Mr. Zeno cautioned. "But it shows he is very serious. He wouldn't do this if it were winding down."

Another sign the investigation is ramping up: Greg Andres, a top partner in a powerhouse New York law firm, Davis Polk & Wardwell LLP, has joined Mr. Mueller's team.

Mr. Andres, a former top Justice Department official who also oversaw the criminal division of the U.S. attorney's office in Brooklyn, wouldn't leave his private-sector job for a low-level investigation, Mr. Zeno said. "People like Greg Andres don't leave private practice willy-nilly. The fact he is being added after a couple of months shows how serious this is and that it could last a long time," Mr. Zeno said.

Mr. Andres couldn't be reached for comment.

The developments unfolded amid a new sign of concern by Congress that Mr. Mueller's independence needs to be protected. Sens. Thom Tillis (R., N.C.) and Chris Coons (D., Del.) introduced legislation Thursday making it harder for Mr. Trump to fire Mr. Mueller. Under the legislation, a special counsel could challenge his or her removal, with a three-judge panel ruling within 14 days on whether the firing was justified.

If the panel found no good cause for the firing, the special counsel would immediately be reinstated.

The bill follows a similar effort from Sens. Lindsey Graham (R., S.C.) and Cory Booker (D., N.J.) "The introduction of two bills with two different bipartisan pairs strengthens the message that there is broad concern about this," said Mr. Coons, who said Mr. Tillis approached him on the Senate floor about teaming up on legislation.

According to a January report from the U.S. intelligence community, the highest levels of the Russian government were involved in directing the electoral interference. Its tactics included hacking state election systems; infiltrating and leaking information from party committees and political strategists; and disseminating through social media and other outlets negative stories about Democratic nominee Hillary Clinton and positive ones about Mr. Trump, the report said.

It is unclear how long Mr. Mueller's investigation will last, and there is no deadline for its completion. The probe is complicated by the classified nature of much of the information Mr. Mueller's team is reviewing. Evidence of its sensitivity came in June when Mr. Mueller moved from his temporary offices to a nearby secure facility that his representatives have declined to identify.

While working closely with Federal Bureau of Investigation agents, Mr. Mueller has assembled a team of accomplished prosecutors and lawyers specializing in criminal and national security law.

Twelve attorneys are on temporary assignment to the special counsel's office from the Justice Department or FBI, and three came from Mr. Mueller's firm of WilmerHale. Mr. Andres is the most recent addition.

Mr. Trump has questioned the neutrality of Mr. Mueller's office, telling Fox News he is concerned that Mr. Mueller's prosecutors are "Hillary Clinton supporters" and that Messrs. Mueller and former Federal Bureau of Investigation Director James Comey are friends. Mr. Comey was a top Justice official in the George W. Bush administration when Mr. Mueller was the FBI director; both were appointed by Republicans. Mr. Trump fired Mr. Comey from the FBI position in May.

Those who know both men said they aren't social friends, though they respect each other and had a solid relationship in government.

At least eight members of Mr. Mueller's team have given to Democratic candidates, including the presidential campaigns of Barack Obama and Mrs. Clinton, according to Federal Election Commission records. At least one—James Quarles, a member of the Watergate Special Prosecution Force—has donated to those in both parties. Mr. Andres in March supported a Democratic lawmaker, donating \$2,700 to Kirsten Gillibrand (D., N.Y.), according to federal campaign disclosure records.

Mr. Mueller made two contributions in 1996 to Republican William Weld, then a candidate for a U.S. Senate seat in Massachusetts, according to the Center for Responsive Politics, which tracks money in politics.

—Siobhan Hughes and Rebecca Ballhaus contributed to this article.



Zeldin : If you're following the Mueller investigation, you need a scorecard

Michael Zeldin, a CNN legal analyst, has served as a federal prosecutor in the Criminal Division of the Department of Justice and was a special counsel to then-Assistant Attorney General Robert Mueller. The opinions expressed in this commentary are his own.

(CNN)We are a long way from having a complete understanding of the facts in the Russia investigation. We also do not know what possible crimes, if any, special counsel Robert Mueller's investigation may uncover. But, as in baseball, where a scorecard is needed to keep track of the game, having an understanding of the crimes that might be in play as the evidence

unfolds should help in navigating the issues that may lie ahead.

The general federal conspiracy statute, Section 371 of Title 18 of the US Code, criminalizes two types of conduct. The statute makes it an offense "[i]f two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose."

The first clause, referred to as the Offense Clause, prohibits anyone from conspiring to commit any federal offense (i.e., one defined elsewhere in the Criminal Code). The second clause, referred to as the Defraud Clause, prohibits a conspiracy to "defraud the United

States." Unlike the Offense Clause, the Defraud Clause does not require proof of any other criminal offense. It is, in and of itself, a crime.

The courts have interpreted the conspiracy law to require an agreement and at least one step in furtherance of the agreement (referred to as an overt act). For example, two or more people can agree to rob a bank, but if they do not take any steps to put the plan into action (e.g., get a gun or buy a getaway car), they have not committed a crime.

In the context of the Trump-Russia investigation, the key questions are whether any conduct by the Russian government and/or

individuals associated with the Trump campaign potentially could constitute a crime, and if so, whether there was a conspiracy to violate the law.

Put simply, and for the sake of discussion only, if members of the Trump campaign were found to have reached an agreement with representatives of the Russian government to try to affect the outcome of the election in Trump's favor and to have taken steps in furtherance of the agreement, could this conduct potentially constitute a violation of the conspiracy laws?

It is important to note that no evidence of any such agreement has been disclosed publicly, and those associated with the Trump

campaign have publicly denied the allegations. Indeed, the president's son-in-law and senior adviser, Jared Kushner, has

said

, "I did not collude with Russia," and he has advised that he does not know of anyone in the campaign who did. In an off-the-record talk with

interns

, Kushner apparently remarked that the campaign was too disorganized to collude: "We couldn't even collude with our local offices."

To violate the Offense Clause of the conspiracy statute, there must be an agreement to violate another criminal law. If there were a conspiracy, what laws might have been violated?

Election laws

Under Section 30121 of Title 52 of the US Code, it is a crime for a foreign national, directly or indirectly, to make a contribution or donation of money or "other thing of value" in connection with a federal election. It also is illegal for a person to solicit, accept, or receive such a contribution or donation.

Key to determining if a violation of the election laws potentially may have occurred is whether providing negative information to discredit an opposition candidate in connection with a political campaign (opposition research) could constitute a "thing of value" under the election laws.

Two Federal Election Commission advisory opinions would appear to support the view that opposition research is a thing of value. In

Opinion 2007-22

, the FEC advised that the proposed donation of certain printed materials, used in previous Canadian campaigns, without charge to a US congressional campaign would constitute a contribution and, as such, would be prohibited, particularly in light of the broad scope of the prohibition on contributions from foreign nationals. In

Opinion 1990-12

, the FEC advised that the proposed donation of poll data or analysis to a candidate, which was commissioned by another candidate, would constitute an in-kind contribution.

While there are a number of allegations that members of the Trump campaign may have colluded (or conspired) with the Russians, as of yet, they have not been proven. A particular focus, however, has been on the June 9,

2016, meeting at Trump Tower, which Donald Trump Jr., apparently organized after he was advised that a group of Russians (or persons acting on their behalf) wished to provide to the Trump campaign opposition research on Hillary Clinton.

If it were determined that Donald Trump Jr., in fact, solicited a thing of value (the opposition research), his conduct potentially could provide the basis for a substantive federal election law violation. This is so because the act of soliciting a thing of value (or assisting in such a solicitation) can be, in and of itself, a criminal violation. The law does not require the solicitation must be accepted, that anything must be received, or that the recipient determined that the thing solicited was worthwhile.

Further, if other evidence were produced that indicated that the two sides had entered into an agreement to use the opposition research to interfere in the presidential election (either before or after the June 9, 2016, meeting), and additional steps were taken, a case alleging a conspiracy to violate the federal election laws also potentially could be initiated. (Donald Trump Jr., has denied wrongdoing. He acknowledged that he met with the Russian lawyer who promised information that could be helpful to his father's presidential campaign but once the meeting began he determined the lawyer had no "meaningful information" on then-Democratic presidential candidate Hillary Clinton. The meeting, he said, ended within 20-30 minutes with no followup action taken.)

Hacking/cybercrimes

Section 1030 of Title 18 of the US Code makes it a crime, among other things, to access knowingly a protected computer (one used in interstate commerce) without authorization and, thereby, to obtain protected information. It also makes it a crime to conspire to commit or attempt to commit an offense under the statute.

Other statutes, including the Electronic Communications Privacy Act (18 U.S.C. 2701) (ECPA) and the federal wiretap law (18 U.S.C. 2511), criminalize both the intentional and unauthorized acquisition of the contents of messages (

like emails

) and the disclosure/distribution or receipt of communications that have been acquired unlawfully by a third party. Thus, if anyone connected to the Trump campaign were to have asked the Russians to procure the

data stolen from the Democratic National Committee or if a person somehow participated illegally in the acquisition of the data, a violation of the wiretap and/or hacking laws potentially could be established.

Similarly, were evidence produced that Russians (whether participants in the June 9, 2016, meeting or over the course of the campaign) illegally obtained information from a protected computer (for example, the computers at the DNC or John Podesta's personal computer), a substantive violation of Section 1030 potentially could be prosecuted.

And, if evidence were available establishing that members of the

Trump campaign conspired

in the unlawful access of computers or that they agreed with others that such hacking should occur, they potentially could be prosecuted for conspiracy or for facilitation of these crimes.

Finally, to the extent that any information taken from the DNC was provided directly to representatives of the Trump campaign, or that the Trump campaign participated in or requested that the information be released through WikiLeaks or otherwise, that conduct could give rise to a potential prosecution for conspiracy, aiding and abetting or facilitating an Interstate Transportation of Stolen Property in violation of Section 2314 of Title 18 of the US Code.

Section 2314 makes it a crime to "transmit, or transfer in interstate or foreign commerce any goods, wares, merchandise, securities or money, of the value of \$5,000 or more, knowing the same to have been stolen, converted or taken by fraud." To bring an action under the statute, however, the prosecution would have to establish that the information (e.g., the information stolen from the DNC's servers) constituted "goods, wares, or merchandise."

Defraud Clause

The historic use of the Defraud Clause finds its origins in the 1924 Supreme Court case of *Hammerschmidt v. United States*, when Chief Justice William Howard Taft wrote that to conspire to defraud the United States means to interfere with or obstruct one of its lawful governmental functions by deceit, craft or trickery, or at least by means that are dishonest.

In that opinion, Taft explained that it is not necessary for the government to be subjected to a property or pecuniary loss by the fraud, but "only that its legitimate official action

and purpose shall be defeated by misrepresentation, chicane or the overreaching of those charged with carrying out the governmental intention."

Modern-day legal actions brought under the Defraud Clause often involve a conspiracy to impede the functions of the Internal Revenue Service to collect taxes, otherwise known as tax evasion. For example, in *United States v. Klein*, the defendants were convicted of a conspiracy to defraud the government by engaging in certain acts, including altering and falsifying books and records, making false statements in tax returns, and making other misstatements to the IRS.

The rationale of the

Hammerschmidt decision

has survived more recent challenges. For example, *United States v. Rodman* involved impeding the lawful government functions of the Bureau of Alcohol, Tobacco, Firearms, and Explosives by submitting fraudulent forms, and *United States v. Ballistrea* involved a conspiracy to interfere with or obstruct the FDA's lawful function of regulating the interstate distribution of medical devices).

Theoretically, if an agreement had been reached at the June 9, 2016, meeting (or at another time) to obtain and use opposition research from a Russian national to influence the presidential election, it is possible that the government could construe the agreement as an effort to defraud the government by impeding the lawful functions of the Federal Elections Commission.

If there were evidence that there was a further agreement to use any information provided (for example, data stolen from the DNC) to impact voter opinion in the months leading up to the election, a broader case potentially could be made involving more individuals.

False statements and obstruction of justice

Many investigations do not result in a finding of a substantive criminal offense. Nevertheless, an individual sometimes can put himself or herself in legal jeopardy if, during the course of an investigation, that person were to lie under oath, otherwise make a false statement to the government, or obstruct an ongoing investigation.

For example, in

United States v. Libby

, Scooter Libby, a former assistant to President George W. Bush and to Vice President Dick Cheney, was convicted for making false

statements to federal investigators, for perjury for lying to a federal grand jury, and for obstruction of justice for impeding a federal grand jury investigation concerned with the leaking of classified information in connection with the disclosure of the identity of a covert CIA agent, Valerie Plame Wilson. (President Bush commuted his sentence; Libby was not accused of disclosing Plame Wilson's name himself.)

Section 1001 of Title 18 of the US Code makes it a crime to knowingly and intentionally: Falsify, conceal, or cover up by trick, scheme, or device a material fact to the US executive, legislative or judicial branch of government (federal government); or make any materially false, fictitious, or fraudulent statement or representation to the federal government; or make or use any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry to the federal

government.

The acts can be oral or written, and they can be acts of commission (giving a false answer to a question asked) or acts of omission (concealment). If this were to occur, the person making the false statement could be charged with a violation of Section 1001 or with aiding and abetting a violation of the statute.

Any knowing and intentional false statement, whether in writing (e.g. on a government form), in the context of providing congressional testimony, in testimony before the grand jury, or in interviews with FBI agents, could be a Section 1001 violation. And, any agreement to coordinate the making of any false statements could violate the conspiracy laws.

Even if it were the case that no agreement was reached on June 9, 2016, and therefore, there was no violation of the conspiracy laws, if a person were to make a knowing and

intentional false statement about any material aspect of the meeting to federal investigators, that conduct could constitute a violation of Section 1001.

Similarly, were any witness testifying under oath to lie willfully as to a material matter either before Congress or in the grand jury, perjury charges could be brought under Sections 1621 or 1623 of Title 18 of the US Code. The obstruction of justice laws make it a crime for anyone to corruptly influence/interfere with a congressional or grand jury investigation or other agency proceedings.

For this reason, if anyone associated with the Trump campaign or otherwise connected to the Trump administration were to attempt, directly or indirectly, to obstruct Mueller's investigation or any congressional investigations, that person potentially could be charged with obstruction of justice.

If there was an agreement between two or more persons to obstruct justice, conspiracy charges also could be brought.

Conclusion

Special counsel Mueller was appointed on May 17, 2017. It has been just over two months since he began his investigation. Sorting out all the legal issues included in his mandate is complicated and will likely be nuanced. Only time will tell whether a criminal conspiracy existed between any Russians and any members of the Trump campaign and, if so, who the participants were and what role they played.

At this point, we are only in the top of the second inning.

The New York Times Justice Dept., Under Siege From Trump, Plows Ahead With His Agenda (UNE)

Rebecca R. Ruiz

WASHINGTON — Attorney General Jeff Sessions is at the Justice Department by 6:15 a.m., when he exercises on a treadmill near his fifth-floor office, showers in an adjoining bathroom, microwaves instant oatmeal and hand-washes the bowl, then prepares for a daily 8:20 a.m. meeting with his deputy, Rod J. Rosenstein.

The televisions in both of their offices are nearly always dark, and neither man has a Twitter account.

That does not mean they have missed the public criticism from President Trump, who was infuriated when Mr. Sessions recused himself from the government's Russia investigation and when Mr. Rosenstein, who now oversees it, appointed Robert S. Mueller III as the inquiry's special counsel.

Yet even as the Justice Department has been under siege by Mr. Trump, Mr. Sessions and Mr. Rosenstein have sought to tune out the noise as they remake the department into the one that is most powerfully carrying out the president's agenda.

"We value the independence of the Justice Department," Mr. Rosenstein said in an interview this week. The employees, he said, have been conditioned to "ignore anything that's said by people outside of the department."

Mr. Rosenstein added, "Nobody is directing us and nobody is going to direct us about which cases to pursue."

But even if developing headlines are not rippling through the department in real time — "I've made a point of telling my people they should not be monitoring the breaking news," Mr. Rosenstein said — the attacks by Mr. Trump, including his firing of the acting attorney general and the F.B.I. director, as well as calls to investigate a political opponent, have reverberated loudly. All the same, Mr. Sessions is carrying out the president's conservative agenda with head-turning speed, rolling critics on the left and leaving some career staff members within the department disoriented by the sea change.

"Sessions as attorney general has been everything conservatives could have dreamed of and liberals could have feared," said Erwin Chemerinsky, dean of the law school at the University of California, Berkeley.

In the last six months, the attorney general has rolled back Obama-era policies on gay rights, voting rights, and criminal justice and police reform while advancing his own fight against drugs, gangs and violent crime. The scope of the work goes far beyond the investigation into Russia's interference in last year's election and possible ties to the Trump campaign.

"If you just read the media stories, you get a very narrow view of what the Department of Justice is doing," Mr. Rosenstein said in an interview on Wednesday. "That's not the way I see it."

Mr. Sessions has mandated that prosecutors be as tough as possible in charging and sentencing all crimes, including drug offenses that carry stiff mandatory minimum prison sentences. He has expanded the ability of the police to seize people's assets, irrespective of whether they may have been convicted of a crime or even charged. And as he presses a hard-line immigration agenda, he has dispatched additional federal prosecutors to border districts to prosecute immigration cases and has ordered cities and states to fall in line with federal immigration authorities or else face cuts in federal funding.

On Thursday, Mr. Sessions attached new conditions to local partnerships focused on reducing crime, requiring so-called sanctuary cities like Baltimore to honor federal requests to detain people suspected of being undocumented immigrants if they wanted to participate. On Friday, Mr. Sessions is expected to announce several investigations into leaking, a priority for the president, who has denounced the stream of information out of his administration.

Mr. Trump's most loyal constituencies praise Mr. Sessions as the cabinet member most

effectively delivering on the president's promises. "We're heartened by his no-nonsense approach to criminal justice," said James O. Pasco Jr., the former executive director of the Fraternal Order of Police and now a senior adviser to that organization's president. "He's using the bully pulpit to show his support for law enforcement and make cities safer."

Although it will take time for the full effects of the new policies to be seen, legal experts said, changes have already taken root.

Brett Tolman, a former United States attorney in Utah during the administration of George W. Bush, said Mr. Sessions's policies on criminal charging and sentencing had already drastically affected some of his clients in federal cases not just limited to drugs. In conversations with assistant United States attorneys around the country, Mr. Tolman said, the prosecutors cited Mr. Sessions's directives in refusing to negotiate in situations they previously would have.

"There is a definite difference in the mentality of the Department of Justice, and you see it already," said Mr. Tolman, who previously worked as counsel to Senator Orrin G. Hatch, Republican of Utah. Mr. Tolman praised past bipartisan progress on criminal justice reform and said Mr. Sessions was out of step: "This is the 1980s and '90s mentality, and an absolute 180-

degree reversal from what we've learned."

Mr. Sessions has not loudly promoted the changes. In travels around the country, he has rarely spoken with the press as public attention has centered on the government's Russia inquiry. Mr. Sessions recused himself from the investigation in March after his own undisclosed meetings with the Russian ambassador became public. He left in charge Mr. Rosenstein, who in turn appointed Mr. Mueller, a former F.B.I. director, as special counsel.

Mr. Sessions's recusal has gnawed at the president, who has said he would have chosen a different attorney general had he known Mr. Sessions would step away from the inquiry — something Mr. Sessions did in keeping with the guidance of the Justice Department's ethics lawyers. Mr. Trump, who considered Mr. Sessions a loyalist, has called the recusal "unfair to the president" and chastised Mr. Rosenstein for appointing Mr. Mueller.

Even as Mr. Trump's new chief of staff, John F. Kelly, assured Mr. Sessions this

week that he was not at risk of being fired, Mr. Trump has issued no such reassurance.

Beyond personal attacks, the president has taken broader swipes at the department for how it has defended his travel ban, which aimed to close the nation's borders to travelers from certain predominantly Muslim countries. He has also called for criminal inquiries into Hillary Clinton while calling the Russia investigation a "witch hunt."

The tension between the Justice Department's leadership and the president, however, has made some career prosecutors and senior officials — including supporters of the administration's agenda — uneasy, according to more than two dozen current and former Justice Department officials.

Since May, Mr. Rosenstein has addressed an array of Justice Department staff members, from the public integrity section in Washington to field offices of federal prosecutors in Nevada and South Carolina, seeking to deliver a simple message: Business as usual.

As the Justice Department operates with only a handful of officials confirmed by the Senate — including Mr. Sessions, Mr. Rosenstein and Christopher A. Wray, the new F.B.I. director — the administration has sought to put in place other permanent leadership. Mr. Rosenstein and Mr. Sessions have spent some Saturdays this summer meeting with United States attorney candidates to recommend to the president to replace the 46 United States attorneys Mr. Trump forced out this spring. As of Friday, the administration had made 32 nominations, which Mr. Rosenstein cited as "an illustration that we're moving fairly quickly."

Others say the vacancies have certain divisions on autopilot. Prosecutors are less likely to take risks or act with a broader sense of strategy, said Kerry B. Harvey, a former United States attorney for the Eastern District of Kentucky during the Obama administration.

"When you have a long period of time where you don't have presidential appointees, the day-to-day work gets done but it tends to be somewhat directionless," Mr. Harvey said, adding that "it's ironic

the president's comments seem to be calculated to weaken the Department of Justice's ability to implement his agenda."

But as the department presses on with the administration's agenda, its officials have not wholly turned a blind eye to their place in protecting established government norms.

Among the paintings that Mr. Rosenstein selected to decorate his conference room at the Justice Department is a portrait of Edward H. Levi, appointed attorney general by President Gerald R. Ford in 1975 after the department's credibility had been eroded by President Richard M. Nixon, whose firing of the Watergate special prosecutor, Archibald Cox, led to the resignations of Attorney General Elliot Richardson and Deputy Attorney General William French Smith. Ruckelshaus in what became known as the Saturday Night Massacre in October 1973.

"That right there," Mr. Rosenstein said, motioning to the portrait of Mr. Levi. "That's the post-Watergate A.G."



Senate adjourns, without GOP wins on health care or tax reform (UNE)

By Sean Sullivan

The Senate left town for the rest of the summer Thursday, bringing a historically unproductive period of governance to a close for Republicans, who failed to produce any major legislative achievements despite controlling Congress and the White House.

The Affordable Care Act they vowed to undo stands untouched. The sweeping tax overhaul they pledged has not materialized. A worsening relationship between President Trump and congressional Republicans threatens to create new roadblocks in September, when a looming funding crisis could shut down the government.

By their own accounts, Republicans have failed to enact the ambitious agenda they embarked upon when Trump and the GOP majorities swept into power in January. The president has fallen well short of the legislative pace his two predecessors set in their first six months on the job.

The lack of a signature accomplishment Republican lawmakers can highlight at home this month has given rise to a new level of finger-pointing and soul-searching in a party that stood triumphant eight months ago after

winning back full control of the federal government.

"I think there's a level of frustration," Rep. Tom Cole (R-Okla.) said in an interview. "It's more like a football team that knows that it can be good but is fumbling and committing too many boneheaded errors."

President Trump alternately cajoles and berates Congress as he struggles to find legislative wins in key issues he campaigned on. (Video: Jenny Starrs/Photo: Jabin Botsford/The Washington Post)

(Jenny Starrs/The Washington Post)

On Thursday, Trump took another parting shot at lawmakers for failing to pass a health-care bill. "Our relationship with Russia is at an all-time & very dangerous low. You can thank Congress, the same people that can't even give us HCare!" he tweeted, a day after he grudgingly signed an international sanctions bill that the Senate passed 98 to 2.

The Senate conducted a flurry of business on what was effectively its final workday of the summer, confirming dozens of executive-branch nominees to the State Department, the Treasury

Department and other agencies. In addition, two bipartisan pairs of senators unveiled legislation to prevent Trump from firing special counsel Robert S. Mueller III without cause, and a group of Republican senators released a border security plan.

But as they wrapped up their work this week, Republican senators were eager to turn the page on the sharp political and policy disagreements and constant White House chaos that stalled their endeavors.

"I think we can spend time thinking about what didn't happen," said Sen. Lisa Murkowski (R-Alaska). "[But] I don't have enough hours in my day to do that. I'm just focused on what we're going to be doing going forward."

[The latest: Trump told Mexican president 'You can't say that to the press']

Many GOP lawmakers are still numb from last week's failure to repeal and replace the ACA. While the House had earlier worked through painful disagreements and false starts to pass a health-care bill — and cheered with the president in a Rose Garden ceremony afterward — the Senate failed in a dramatic early-morning vote last Friday.

The breakdown of the effort to fulfill a seven-year promise left a particularly bitter taste in the mouths of Republicans departing from both sides of the Capitol. Some blamed Trump, saying he did not sell the plan aggressively enough, or Senate Majority Leader Mitch McConnell (R-Ky.) for failing to deliver. Others were critical of Murkowski and Sen. Susan Collins (R-Maine), who were adamant in their opposition to the health-care proposals that McConnell put together in secret. The two joined with Sen. John McCain (R-Ariz.) to kill a last-ditch bill to keep talks alive.

With a deadline of Sept. 29 looming and Congress nearing their summer recess, the debt ceiling is primed to be a big issue when they return. Here's what you need to know. With a deadline of Sept. 29 looming and Congress nearing their summer recess, the debt ceiling is primed to be a big issue when they return. (Video: Meg Kelly/Photo: Sarah L. Voisin/The Washington Post)

(Meg Kelly/The Washington Post)

"We had three chairmen who went rogue on the Republican caucus and cost us this vote," said Sen. David Perdue (R-Ga.), a Trump ally. Of the failed-health-care effort, he said: "That's a problem. We spent a lot of energy on that. And we're not done yet."

Now, there is a tension about the way forward. Trump and some conservatives have said they are determined to keep prioritizing the repeal-and-replace effort. But Senate Republican leaders have moved on to a tax overhaul, the next big GOP target, with some planning more-modest fixes to the ACA on the side.

The tax effort, which lawmakers hope to dive deep into next month, could prove to be another tricky venture. Republicans must resolve intraparty disagreements and juggle other pressing deadlines as they pursue a broad overhaul.

McConnell is especially proud of confirming Neil M. Gorsuch to the Supreme Court, a feat widely hailed in the Republican Party. Congress also passed a slate of regulatory changes under the Congressional Review Act, rolling back Obama-era rules.

But when it comes to the core policy issues they campaigned on, Republicans floundered.

"I think we've had one of the busier legislative years," said Sen. Tim Scott (R-S.C.). "We just have not had a successful year as it relates to the large items."

[Analysis: Probably not a fun summer recess for Mitch McConnell]

By contrast, Presidents Barack Obama and George W. Bush were able to advance some big-ticket items in their first six months on the job.

**The
New York
Times**

Krugman : Obamacare Rage in Retrospect

Paul Krugman

I guess it ain't over until the portly golfer sings, but it does look as if Obamacare will survive. In the end, Mitch McConnell couldn't find the votes he needed; many thanks are due to Senators Susan Collins, Lisa Murkowski and John McCain (who turns out to be a better man than I thought), not to mention the solid wall of Democrats standing up for what's right. Meanwhile, all indications are that the insurance markets are stabilizing, with insurer profitability up and only around 0.1 percent of enrollees unserved.

It's true that the tweeter in chief retains considerable ability to sabotage care, but Republicans are basically begging him to stop, believing — correctly — that the public will blame them for any future deterioration in coverage.

Why did Obamacare survive? The shocking answer: It's still here because it does so much good. Tens of millions have health

coverage — imperfect, but far better than none at all — thanks to the Affordable Care Act. Millions more rest easier knowing that coverage will still be available if something goes wrong — if, for example, they lose their employer-sponsored plan or develop a chronic condition.

Which raises a big question: Why did the prospect of health reform produce so much popular rage in 2009 and 2010?

I'm not talking about the rage of G.O.P. apparatchiks, who hated and feared the A.C.A., not because they thought it would fail, but because they were afraid it would work. (It has.) Nor am I talking about the rage of some wealthy people furious that their taxes were going up to pay for lesser mortals' care.

No, I'm talking about the people who screamed at their congressional representatives in town halls. People like, for example, the man who pushed his

wheelchair-bound son, who was suffering from cerebral palsy, in front of a congressman, yelling that President Obama's health care plan would provide the boy with "no care whatsoever" and would be a "death sentence."

The reality, of course, is that people with pre-existing medical conditions are among the A.C.A.'s biggest beneficiaries, and would have had the most to lose if conservative Republicans had managed to repeal the law. And this should have been obvious from the beginning.

Beyond that, it's now clear (as should also have been clear from the beginning) that very few people other than wealthy taxpayers were hurt by health reform, which was designed to disrupt existing health arrangements as little as possible.

Yes, around 2.6 million people who had individual policies with high deductibles and/or limited coverage were told that their policies were too skimpy to meet A.C.A.

Many wish Trump had channeled his energy into promoting the health-care bill more in public. "This issue was outsourced to Congress," Rep. Charlie Dent (R-Pa.) said last Friday as the House left to start its August recess.

Republicans are also blaming Democrats for obstructing the GOP agenda. For much of the year, Democratic lawmakers have largely united against Trump's plans.

"Democrats made it their goal in life to obstruct everything that we tried to do," said Sen. John Cornyn (R-Tex.), McConnell's top deputy. But on health care, Republicans took advantage of a rule that would have allowed passage of a bill along party lines, had no more than two GOP senators defected.

"This place is hard to run if you're not willing to talk to the other side," said Sen. Chris Murphy (D-Conn.). "I hope that there's been some lessons learned about how difficult it is to govern with only one party working the agenda."

The Senate will hold some pro-forma sessions throughout August and early September. Democrats had expressed concerns that Trump might try to replace Attorney General Jeff Sessions while lawmakers are away if they did not hold such gatherings. But there will be no more roll-call votes in the Senate until Sept. 5.

McConnell hopes Congress can finish a tax overhaul by the end of the year, he said this week. But self-imposed deadlines have come to

mean little lately, as Republicans have already blown past many of them. Vice President Pence, for example, said in a speech last December that before the spring, "we're going to cut taxes across the board."

McConnell has argued there is still time before next year's midterms for the GOP government to do more. "Last time I looked, Congress goes on for two years," he said last month.

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Sen. Ted Cruz (R-Tex.), up for reelection in 2018, said this week that the four biggest priorities for this Congress are health care, a tax overhaul, a regulatory overhaul and ensuring the appointment of judges he called "principled constitutionalists."

"If we deliver on those four, this could be the most productive Congress in decades," Cruz said.

If "we fail on all four," Cruz added, "then this moment in time will be a truly heartbreaking missed opportunity."

requirements. But they were offered the chance to buy better policies, and many of them probably received subsidies that made these better policies cheaper than their original coverage. Meanwhile, some young, healthy, affluent people saw their premiums rise. But predictions of mass harm were completely wrong.

Or if you regard statistical evidence as "fake news," consider what happens every time Republicans call on the public to come forward with horror stories about how they've been hurt by Obamacare: The result keeps being an outpouring of support for the law, bolstered by tales of lives and finances saved by the A.C.A.

So once again: What was Obamacare rage about?

Much of it was orchestrated by pressure groups like Freedom Works, and it's a good guess that some of the "ordinary citizens" who appeared at town halls were

actually right-wing activists. Still, there was plenty of genuine popular rage, stoked by misinformation and outright lies from the usual suspects: Fox News, talk radio and so on. For example, around 40 percent of the public believed that Obamacare would create "death panels" depriving senior citizens of care.

The question then becomes why so many people believed these lies. The answer, I believe, comes down

to a combination of identity politics and affinity fraud.

Whenever I see someone castigating liberals for engaging in identity politics, I wonder what such people imagine the right has been doing all these years. For generations, conservatives have conditioned many Americans to believe that safety-net programs are all about taking things away from white people and giving stuff to minorities.

And those who stoked Obamacare rage were believed because they seemed to some Americans like their kind of people — that is, white people defending them against you-know-who.

So what's the moral of this story? There's bad news and good news.

It's certainly not encouraging to realize how easily many Americans were duped by right-wing lies, pushed into screaming rage against

a reform that would actually improve their lives.

On the other hand, the truth did eventually prevail, and Republicans' inability to handle that truth is turning into a real political liability. And in the meantime, Obamacare has made America a better place.

Bloomberg

Editorial : Trump's Immigration Dead End

Leave aside the other features of the immigration-reform proposal President Donald Trump endorsed on Wednesday and focus on its main idea: Reducing immigration by half over a decade. It's the wrong goal, and it subverts the rest of the plan.

There's no doubt the U.S. immigration system is broken -- or that a shift to a merit-based immigration system, which the proposal advocates, is long overdue. But admitting far fewer immigrants would do enormous damage to the U.S. economy and the federal government's fiscal stability.

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THE WALL STREET JOURNAL

Gramm and Solon : Reagan Cut Taxes, Revenue Boomed

Phil Gramm and Michael Solon

A great advantage of having been present when history was made is that later you can sometimes recall what actually happened. Such institutional memory is important today in assessing the 1981 Reagan tax cuts, whose effect is now being relitigated in the debate on the Republicans' proposed tax reform. To refute claims that the Reagan tax cuts slashed federal revenue, in the words of President Reagan, "well, let's take them on a little stroll down memory lane."

In 1980, the year before Reagan became president, the Congressional Budget Office reported: "During much of the past decade, many taxpayers have found themselves paying larger fractions of their incomes to the federal government in income taxes." Double-digit inflation in the late 1970s pushed American families into ever-higher tax brackets (there were 15 at the time). This process, called "bracket creep," drove up taxes almost 50%

The legislation Trump embraced, proposed by Senators Tom Cotton of Arkansas and David Perdue of Georgia, would not increase skills-based immigration. Indeed, the number of skilled immigrants granted legal residency annually would remain roughly what it is now, 140,000, while family visas would be slashed and the 50,000 so-called diversity visas (for applicants from countries that are otherwise underrepresented) would be eliminated altogether.

With typical hyperbole, Trump said the new system "will reduce poverty, increase wages and save taxpayers billions and billions of dollars." How exactly this would happen is something of a mystery. Perhaps he's referring to the possibility that the most unskilled native workers might command modestly higher wages.

faster than inflation, enriching the government while impoverishing workers.

Thus even though the 1970s were the postwar era's weakest decade of economic growth up to that point, federal revenue doubled between 1976 and 1981. Inflation averaged 9.7% during the economic malaise of 1977-80, while government revenue grew by an astonishing 14.8% a year, even as economic growth rates fell steadily and turned negative in 1980.

That same year the CBO estimated that inflation and bracket creep would automatically increase revenue by 2.7% of gross national product by 1985. Today, that would translate into some \$500 billion a year—almost eight times as large as President Obama's 2013 tax increase. But the CBO warned that this would push the tax burden to "an unprecedented level, constituting a significant fiscal drag on the economy." The CBO humanized the problem by reporting that with the 1980 inflation rate of 13.3%, the tax liability on families of

The sharp reduction in immigrant workers in the years ahead would also reduce tax receipts for Social Security, Medicare and Medicaid, the tripod supporting the nation's rapidly aging baby boomers -- 10,000 of whom retire daily. Immigrants paid about \$328 billion in taxes in 2014, according to one estimate.

In effect, the plan would take the demographic headwinds the U.S. faces already and transform them into a gale.

To counter those winds, the nation needs higher productivity. As it happens, one way to boost productivity is to welcome skilled immigrants. On average, every foreign-born student who gets a master's degree in a U.S. university and works in science, technology, engineering or math creates two and a half American jobs. Almost 6

million people work at immigrant-owned companies in the U.S.

Trump claims to admire the immigration systems of Canada and Australia, and both are good role models. But those nations also admit far more immigrants, as a percentage of population, than the U.S. does. This plan is not a skills-based system akin to Australia and Canada. What the president and senators are proposing is a dead end.

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four with incomes between \$15,000 and \$50,000 (equivalent to roughly \$50,000 to \$150,000 today) increased by an average of 23%. The poverty rate surged and average family income after inflation dropped by a whopping 8.9%. Just as the CBO predicted, the unprecedented tax burden choked off economic growth, pushing the U.S. into the double-dip recession of 1980-82.

Critics of the Reagan tax cuts today compare the 11.6% growth in federal revenue in 1980, the last year of the Carter administration, with the decline in revenue in 1983. They then declare that the Reagan tax cuts slashed federal revenue. Conveniently missing in that comparison is that the 1980-82 recession, with 10.8% unemployment, reduced federal revenue twice as much as the Joint Committee on Taxation estimated the Reagan tax cuts would in 1982 and 15% more than its estimate for 1983.

What's more, the expectations of rising revenue during the early

Reagan years were based on the assumption that inflation and bracket creep would not let up. In 1981, all public and private economic forecasts predicted continued high inflation. The opposite occurred. As inflation plummeted from the CBO's projected average annual rate of 8.3% for 1982-86 to an average of 3.8%, revenue compared with projections tumbled \$22 billion in 1982 and \$70.4 billion in 1983 solely because of reduced inflation and bracket creep. The Joint Committee on Taxation's static cost estimate of the Reagan tax cuts was \$37.6 billion in 1982 and \$92.7 billion in 1983. In other words, the collapse of inflation and bracket creep and the double-dip recession caused revenue losses more than twice as big as the projected static cost of the Reagan tax cuts.

The Reagan tax cuts were implemented in three installments, with the top marginal rate falling to 50% from 70%. When the reductions were fully in effect in 1983, the economy snapped out of the recession, and real growth

averaged 4.6% for the remainder of the Reagan presidency—more than his much-maligned “rosy scenario” ever promised. In 1984, a final good-government tax provision—indexing individual brackets for inflation and thereby eliminating bracket creep—was implemented. Although indexing reduced revenue, it was overpowered by surging economic growth. Then the 1986 tax reform cut subsidies and special-interest provisions, lowered the top individual tax rate to 28%, dropped the top corporate tax rate to 34% from 46%, and provided additional incentives to work, save and invest.

When Reagan left office, real federal revenue was more than 19% higher than it was the day of his first inauguration. A major recession had been overcome, inflation had been

broken, the tax code had been indexed to eliminate bracket creep, and the largest tax cut of the postwar era had been implemented. The Reagan tax cuts and the boom they created stand as the most successful policy initiative and recovery of the postwar era—the polar opposite of Mr. Obama’s program and economy.

The Reagan tax cuts laid the foundation for a quarter-century of strong, noninflationary growth, which, despite three subsequent recessions, averaged 3.4% until the beginning of the Obama administration. And tax revenue was generated by an expanding economy rather than pilfered through bracket creep.

But it wasn’t only the tax cuts, and it wasn’t only Reagan. To his credit,

President Carter led the most significant deregulatory effort in the postwar era, reducing the regulatory burden on truckers, railroads, airlines and telecommunications, along with the interest rates paid by financial institutions. Reagan built on this Carter legacy by eliminating price controls on domestic oil and natural gas. These actions enhanced overall economic efficiency and amplified the effects of the 1981 tax cut and the 1986 tax reform.

This history is important because it shows the power of tax cuts and deregulation—exactly the proposals being debated today. The Republican tax-reform program combines the 1981 tax cuts and the 1986 tax reform with a deregulatory effort through legislation, agency rule-making and executive action

constituting the most dramatic deregulatory effort since the Carter-Reagan reforms.

Economic growth faded as President Obama raised taxes and smothered the economy with unprecedented regulatory burdens. If we reverse those policies, could we not bring back the Reagan growth rates America enjoyed in the 1980s? Evidence suggests the answer is yes.

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