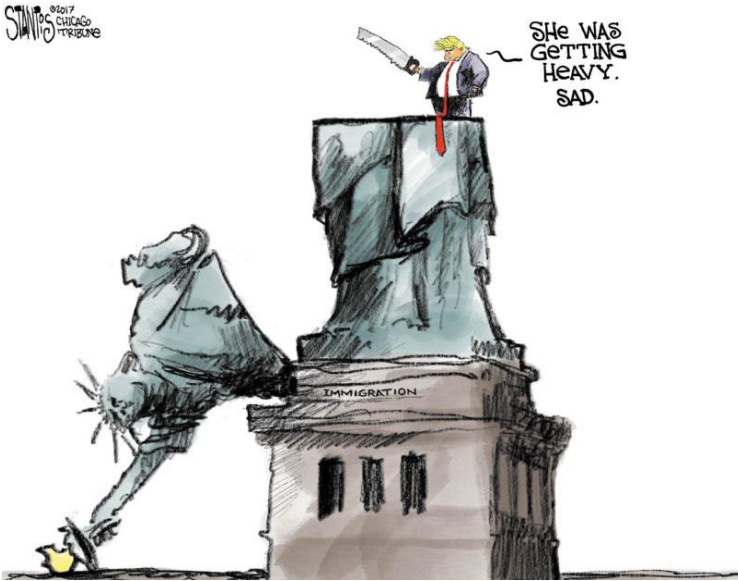


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FRANCE - EUROPE

THE WALL
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Noemie Bisserbe

France Opens Terror Probe After Knife-Wielding Man is Detained at Eiffel Tower

PARIS—French prosecutors opened a counterterrorism investigation on Sunday after a knife-wielding man attempted to force his way into the Eiffel Tower.

The man, who was shouting “Allahu akbar”—Arabic for “God is great”—was quickly detained by police on Saturday night and no one was harmed, a spokeswoman for the Paris prosecutor’s office said.

The man has a history of psychological problems, she added, without disclosing further details.

The Eiffel tower was open to visitors

on Sunday.

A string of attacks—including the Nov. 13, 2015, assault by Islamic State militants that killed 130 in Paris and the truck attack in Nice that killed 86 people on Bastille Day in July 2016—has put France on edge. The government has declared and renewed a state of emergency, but the crackdown hasn’t stopped the drumbeat of periodic attacks on Paris landmarks.

In June, a car rammed into a police van before bursting into flames on the Champs-Élysées, in an assault authorities are investigating as a possible terror attack. The driver

died at the scene, but no one else was injured, said police. Firearms and explosive materials were found in the car.

Earlier that month, French authorities also locked down the area around Notre Dame cathedral in Paris after a man attacked police with a hammer, yelling “This is for Syria.” The attacker struck an officer in the head as he patrolled Notre Dame’s square. Police responded by shooting him in the leg. Knives were discovered inside a backpack carried by the assailant. Antiterrorism prosecutors are investigating the assault for possible

terror links, the spokeswoman for Paris prosecutors said.

In April, a gunman opened fire on the Champs-Élysées, killing a police officer and wounding two other people. Police returned fire, killing the gunman, who was later identified as Karim Cheurfi, a French national. Islamic State claimed responsibility for the April attack, said SITE Intelligence Group, which monitors the extremist group’s communications.

POLITICO French to Brigitte Macron: You’re no first lady

By Cynthia Kroet

Brigitte Macron, the wife of the French President Emmanuel Macron, should not be given the official status of first lady, according to over 190,000 people who signed an online petition.

France currently doesn’t have an official first lady. During his election campaign, Macron said he would create the

position for his wife and pledged it would not be paid for with public funds, but the petition claims it will cost the French taxpayer money.

A decision on whether to introduce a first lady to France should be decided by referendum and “not by a single man,” wrote the petition’s creator Thierry Paul Valette, an artist and founder of the National Equality Movement, which

campaigns against corruption and discrimination.

“There is no reason for the wife of the head of state to get paid through public funds,” Valette wrote. “Brigitte Macron currently has a team of two or three aides, as well as two secretaries and two security agents. That’s enough.”

The petition was set up two weeks ago and by Monday was close to

reaching its goal of 200,000 signatures.

France’s parliament last month backed reforms aimed at restoring trust in politicians, including measures such as banning MPs from hiring relatives.



France and Germany Plan Tax Crackdown on U.S. Tech Giants

Francois De Beaupty

French or European companies -- are paying.”

Read more: Apple’s \$14.5 Billion EU Tax Ruling

taxes to 25 percent by the end of his five-year term should be seen as an opening gambit in this process. He urged countries with lower tax rates to raise them.

France is working with Germany and other partners to plug loopholes that have allowed U.S. tech giants like Alphabet Inc.’s Google, Apple Inc., Facebook Inc. and Amazon.com Inc. to minimize taxes and grab market share in Europe at the expense of the continent’s own companies.

The push reflects mounting frustration among some governments, regulators and, indeed, voters, at the way international firms sidestep taxes by shifting profits and costs to wherever they are taxed most advantageously -- exploiting loopholes or special deals granted by friendly states.

The European Commission last year ordered Apple to pay as much as 13 billion euros (\$15.3 billion) plus interest in back taxes, saying Dublin illegally slashed the iPhone maker’s obligations to woo the company to Ireland. Apple and the Irish government are fighting the decision.

France is making “a considerable effort,” Le Maire said. “We’re asking other member states of the euro zone to make a similar effort in the other direction.”

France will propose the “simpler rules” for a “real taxation” of tech firms at a meeting of European Union officials due mid-September in Tallinn, Estonia, French Finance Minister Bruno Le Maire said in an interview in his Paris office on Friday, complaining that Europe-wide initiatives are proving too slow.

Read more: Paris aims to overtake Frankfurt in race for Brexit banking jobs

Read more: the French push for more integration in the euro area
Read more: Le Maire is selling state holdings to invest in tech

Harmonizing Taxes

The clampdown on tech firms is part of President Emmanuel Macron’s muscular approach to ensuring a level playing field, after seeing first hand during his election campaign how French firms struggle to compete with countries where taxes and social security payments are lower.

Again, the country’s historic alliance with Germany is at the heart of Le Maire’s plan to bring around other EU countries. He said once the euro area’s two biggest economies are aligned, that would be the basis for a wider convergence.

“Europe must learn to defend its economic interest much more firmly -- China does it, the U.S. does it,” Le Maire said. “You cannot take the benefit of doing business in France or in Europe without paying the taxes that other companies --

Germany and France discussed tax issues at a joint cabinet meeting last month and Germany can be expected to discuss specific proposals after its national election on Sept. 24, Denis Kolberg, a finance ministry spokesman, told reporters in Berlin on Monday.

To that effect, Macron is renewing a broader call for the 19 euro-area states to better align their tax systems. Le Maire said that Macron’s pledge to lower corporate

“The objective is a common corporate tax with Germany in 2018 which should be the basis for a harmonization at the level of the 19 member states of the euro zone,” he said. Germany’s corporate tax rate is currently between 30 percent and 33 percent, according to Deloitte.

No Protectionism

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Macron is also cutting taxes on financial wealth, dividends and capital gains, while simplifying labor rules as he tries to make the country more attractive for investors. The government will also reform the

pension system and unemployment benefits, and will seek to boost housing construction to reduce real estate prices, the minister said. Le Maire said the government is sticking to its current forecast of 1.5 percent growth in gross domestic product for 2017 in spite of improved indicators over the past months.

Le Maire rejected the idea that his government's intervention in corporate decisions amounted to protectionism, saying Macron only decided to block Italian shipbuilder Fincantieri SpA's bid for French shipyard STX last month because it was of strategic importance to France.

Talks with Fincantieri are continuing and France aims to find a solution by the end of next month, Le Maire reiterated. He said he hopes for closer cooperation between French and Italian military shipbuilders and, ultimately, the creation of a "large European naval group" based on a Franco-Italian alliance.

**The
New York
Times**

U.S. Troops Train in Eastern Europe to Echoes of the Cold War (UNE)

Eric Schmitt

NOVO SELO TRAINING RANGE, Bulgaria — After more than a decade spent fighting Islamic insurgents in Iraq and Afghanistan, the United States Army is scrambling to relearn Cold War-era skills to confront potential threats from Russia here in Eastern Europe, territory formerly defended by the Soviet Army.

The adjustments to the new threats are wide ranging. Hundreds of desert-tan battle tanks and armored fighting vehicles must be repainted dark green to blend into European terrain. Soldiers accustomed to operating from large, secure bases in Iraq and Afghanistan must now practice using camouflage netting to disguise their positions and dispersing into smaller groups to avoid sophisticated surveillance drones that could direct rocket or missile attacks against personnel or command posts.

American troops no longer have unfettered right of way in the air or priority access on the ground, as they did across Iraqi river valleys and Afghan mountain ranges. In today's Europe, borders count in all matters military. On a recent Friday, an American Army supply convoy rushing ammunition from Germany to Romania was held up at the Austrian border until the next Monday by restrictions on military convoys during busy summer vacation travel periods.

A 10-day exercise last month involving 25,000 American and allied forces spread across three former Warsaw Pact countries — Hungary, Romania and Bulgaria — offered a window into how a generation of senior Army commanders are rehearsing updated tactics and strategies once used to counter Soviet troops, tanks and artillery, including nighttime aerial assaults by hundreds of paratroopers. The commanders are training a younger force that has mainly faced shadowy terrorist foes in the Middle East and Southwest Asia since the attacks on Sept. 11, 2001.

"We have to figure out how to adapt to this new environment," said Col. Clair A. Gill, a 1994 West Point

graduate who commands the 10th Combat Aviation Brigade from Fort Drum, N.Y., which flies Apache, Black Hawk and Chinook helicopters. "I don't think we're there yet."

To be sure, commanders are expected to argue that the wars in Iraq and Afghanistan will still require thousands of American troops for the foreseeable future. But the United States and its NATO allies recently completed positioning about 4,500 soldiers in the three Baltic States and Poland, and are preparing to keep several thousand armored troops on the Continent as a deterrent to Russian aggression.

These tensions are part of an expanding rivalry and military buildup, with echoes of the Cold War, between Washington and Moscow.

Moscow is flowing forces for its own exercises along its western border with Europe and also deploying in Syria and eastern Ukraine, and is building up its nuclear arsenal and cyberwarfare prowess in what American military officials say is an attempt to prove its relevance after years of economic decline and retrenchment. Russia has scheduled a major exercise in September that could involve as many as 100,000 troops and other security personnel.

In response, the Pentagon has stepped up training rotations and exercises on the territory of newer NATO allies in the east, such as this base in Bulgaria. The allies have increased air, sea and underwater patrols from the Baltic Sea to the Black Sea to counter a similar increase by Russian forces around NATO's periphery.

The Russian military threat has changed markedly since the Soviet Union collapsed in 1991. President Vladimir V. Putin of Russia has invested heavily in modern infantry forces, tanks and artillery. Moscow has also increased its galaxy of surveillance drones that can identify targets and coordinate strikes launched from other weapons.

Russia's so-called hybrid warfare combines conventional military might with the ability to manipulate events using a mix of subterfuge,

cyberattacks and information warfare. Earlier this year, for instance, Lithuanian prosecutors opened a criminal investigation into a false report of rape by German soldiers stationed in Lithuania as part of a NATO mission to deter Russia. Moscow denied being involved in any disinformation campaign aimed at discrediting allied troops.

Lt. Gen. Frederick B. Hodges, the head of United States Army forces in Europe, discounted the prospects of a war between the West and Russia, but said Mr. Putin would probably keep stoking efforts to keep Western armies and governments off balance. "He's going to be around for a long time," said General Hodges, who is retiring next month after a 37-year Army career. "He's coup-proof."

With that in mind, top American planners and intelligence officials are closely watching Russian operations in Crimea, eastern Ukraine, and Syria, all proving grounds for new Russian tactics and weaponry. Young American Army officers are once again using flash cards — or the digital equivalent — to study the structure and abilities of Russian Army units, just as American officers did with earlier generations of Russian forces and weaponry in the 1970s and 1980s.

The Army's training centers in California, Louisiana and Germany are now including more scenarios that replicate Russian forces, even if scenario planners there, and here, are careful to give the opposing forces fictitious names to avoid ruffling diplomatic feathers even more between Washington and Moscow.

The United States Army's presence in Europe is a far cry from the height of the Cold War, 30,000 soldiers now compared with 300,000 then, General Hodges said. For that reason, the general is putting heavy emphasis on the "speed of assembly" — how quickly troops and their equipment can move hundreds of miles and be prepared to fight at a moment's notice.

The \$40 million exercise here, called Saber Guardian, the largest in Europe this year, included driving

more than 1,000 troops and hundreds of vehicles about 1,200 miles across Europe, the equivalent of going from St. Louis to Miami. Hundreds of allied troops — including American soldiers with faces painted in green and black camouflage — and their 60-ton tanks crossed the Danube River on temporary bridges, fending off mock attacks on the other side.

For Eastern European armies, many of which still use Russian-made equipment, these drills with American and Western European forces improve coordination and trust — and are concrete assurances that the allies have their backs.

"We gained a kind of confidence that we're not alone here on the eastern flank of NATO," said Brig. Gen. Theo Toader, a Romanian Air Force officer who directed his country's portion of the exercise from a sprawling air base not far from Constanta, on the Black Sea.

Nonetheless, there were more than a few bumps, but these exercises are designed to reveal them. General Hodges, for instance, more than once sputtered in frustration at some of the delays his forces encountered crossing the continent. "We need to have more freedom of movement," he said.

Several of the fast-rising colonels here — the next generation of United States Army generals — cut their teeth on the Russian threat, but spent the formative years of their careers battling Al Qaeda or the Islamic State, and now have come full circle.

Colonel Gill was assigned to the 101st Airborne Division after graduating from West Point when Russia was still considered a threat. After the Sept. 11 attacks, however, Colonel Gill, one of the Army's most accomplished Black Hawk helicopter pilots, spent most of his career in small, highly classified Special Operations units battling Islamic militants. When he assumed command of the 10th Combat Aviation Brigade a year ago, he acknowledged it took a while to adjust to preparing to fight more conventional battles.

Now in command of 2,200 Army troops and more than 80 helicopters, Colonel Gill said a major challenge is to maintain heightened combat readiness even as some troops finish their enlistments and new soldiers join the brigade. About 40 percent of his unit has turned over since October.

"We need to be ready to go anywhere, anytime," said Colonel

**THE WALL
STREET
JOURNAL.**

Sternberg : Europe's Taxes Aren't as Progressive as Its Leaders Like to Think

Joseph C. Sternberg

The Germans specialize in devising pithy nicknames for tax problems. The "middle-class belly" describes the way in which Berlin's income-tax code applies steep marginal rates at lower incomes before leveling off—it looks like a protruding stomach on a graph. And now comes the "whale in the bathtub." It's the most serious problem of all, and an illustrative one for the rest of Europe.

Europeans believe their tax codes are highly progressive, giving lower earners a break while levying significant proportions of the income of higher earners and corporations to fund generous social benefits. But that progressivity holds true only for direct taxes on personal and corporate income.

Indirect taxes, such as the value-added tax on consumption and social-security taxes (disguised as "contributions"), are a different matter. The VAT disproportionately affects lower earners, who spend a higher proportion of their incomes. And social taxes tend to kick in at lower income levels than income taxes, and extract a higher and more uniform proportion of income.

The result in Germany is a progressive system that isn't. If you looked only at the income tax, the headline rate varies by some 45

Gill, 45, from Patton, Pa.

Col. Patrick Ellis studied Russian at West Point, where he was a classmate of Colonel Gill. He believed then that he needed to learn the language of his potential adversary. After the Sept. 11 attacks, Colonel Ellis was deployed multiple times to Afghanistan with specialized Army Ranger units.

percentage points across incomes, from zero on incomes below €8,820 (about \$10,500) to a high of 45% on incomes above €255,000 or so.

But if you look at the proportion of gross household income paid in all forms of tax, the rate varies by only 25 points. The lowest-earning 5% of households pay roughly 27% of their income in various taxes—mainly VAT—while a household in the 85th income percentile pays total taxes of around 52%, mostly in social-security taxes that amount to nearly double the income-tax bill.

Tax expert Stefan Bach at the German Institute for Economic Research has graphed this in a laborious process using survey data to estimate how the tax code affects households. The result is shown in the nearby chart. The striking feature is how irrelevant the personal income tax is, both in terms of the proportion of households that pay it and the proportion of household income it collects from those who do.

The real money is in the VAT and social taxes. The visual effect is very much like, well, a large marine mammal luxuriating in a bubble bath.

Although this writer has yet to find similar graphs for other European countries, there's ample reason to

Now Colonel Ellis, 45, the son of a Navy officer from Alameda, Calif., commands the Second Cavalry Regiment — some 4,800 troops and 330 combat vehicles. As his troops drove from Germany to Bulgaria, they stopped periodically and interacted with the local citizenry, allowing children to crawl up on the Stryker fighting vehicles and explaining to residents why they were there.

"We know when we wake up every morning who the threat is," Colonel Ellis said. "We're very focused on the Russian threat."

Michael Brendan Dougherty

believe Germany is not unique. The way German total revenues are split among income taxes, social taxes and the consumption tax is in line with the rest of Western Europe, as are its tax rates, according to OECD data. If other countries are more progressive than Germany, it's only because Germany applies its second-highest marginal income-tax rate of 42% at a lower level of income than most.

This amounts to further evidence that Europe is debating tax policy in the wrong way. Tax cuts have emerged as an issue ahead of Germany's national election next month, with both major parties promising various timid tinkers to the personal income-tax rate and exemptions. That's an important debate, since the income tax is often the vector for the sort of marginal change in incentives that affects household well-being and the tendency to work or invest more.

But it's not going to be enough if the goal is to use tax reform to create a significant change in either household consumption or saving. For that, you need to tackle indirect taxation. Mr. Bach, in a report published this week, argues that reducing Germany's top rate of VAT to 18% from 19% would deliver tax relief of €11 billion a year, mainly for

households at the lower half of the income ladder.

Not gonna happen. The VAT and social taxes are too important to the modern welfare state. The great lie is that there are a) enough "rich people," b) who are rich enough, that c) taxing their incomes heavily enough can pay for generous health benefits and an old-age pension at 65. None of those propositions are true, and the third is especially wrong in an era of globally mobile capital and labor.

That leaves the lower and middle classes, and taxes concealed in price tags or dolled up as "insurance contributions" to obscure exactly how much voters are paying for the privilege of their welfare states. European politicians now generally understand the stimulative power of rate cuts on direct taxes. But reform of the indirect taxes that impose such a drag on European economies awaits a more serious discussion about the proper role of the state overall.

Until that debate happens, make room for the whale.

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

**The
New York
Times**

Kamdar : Around the Mediterranean, the Fire This Time

Mira Kamdar

Lu Fraili, Sardinia

— As my husband and I drove back from dinner one evening last month, we were stunned by something I had never seen in 25 years of summer visits to Sardinia: a corona of flames on the scrub-covered hills above the city of San Teodoro. We feared for the town we've known so well, and even for our home here, only about four miles away.

The next day bright yellow Canadair water-bomber planes headed out over the Mediterranean to scoop up the sea, then circled back to drench the burning hills. More than 1,000

people had been evacuated from the San Teodoro area the night before, we learned, and at least 20 homes had been lost to the flames.

Drought, devilish winds and historic heat have unleashed vicious wildfires across southern Europe this summer. In June, more than 60 people died in a blaze that whipped through a forest in Portugal. Since then, hundreds of fires in Spain, France, Croatia, Montenegro, Greece, Italy and elsewhere have burned thousands of acres, killed untold numbers of wild animals and forced the evacuation of thousands of people, including many tourists.

Fires in Sardinia forced the evacuation of a prison, with prisoners spending the night on a nearby beach.

While forest fires are a normal feature of summer in Mediterranean Europe, the frequency and intensity of the blazes this summer are exceptional. The unprecedented heat that has stoked them, and caused droughts like the one that led to water rationing in Rome, is a harbinger of what climate change will bring, scientists say.

In the past week winds from North Africa — which the Italians aptly call *Lucifero* — have caused hellish

temperatures across Italy. The heat index (what the temperature feels like) reached a record 50 degrees Celsius, or 122 degrees Fahrenheit, in Sardinia last Tuesday. That day, a 71-year-old man died of a heart attack triggered by the sweltering temperatures while tending his vegetable garden in a town near Sardinia's capital, Cagliari.

Drought has threatened the livelihoods of many Sardinians. Farmers and shepherds blocked a portion of Sardinia's main highway in June to attract attention to their plight. Without help, many on this drought-stricken island fear they will

lose their farms and flocks. The boulder-littered canyons and sheer stone cliffs rising from the Mediterranean that give Sardinia its wild beauty also make it difficult to combat wildfires. The very survival of this island's pastoral heart — its cheeses, wine and carpets woven from local wool — will be at risk if summers like this one, or worse, become the norm.

The difficulties of rural life elsewhere in the Mediterranean may have indirectly created conditions for wildfires. As people moved to cities,

vast areas where farms once broke up tracts of forest and herds of domestic animals chewed the underbrush low, have reverted to forests thick with brush. Officials are encouraging new activity in these abandoned areas, like truffle farms or vineyards, to create "green firebreaks" and ecosystems more resistant to forest fires.

But more conventional fire control methods are needed too: Clearing firebreaks to stop the spread of forest fires, keeping homes free of surrounding brush, and setting

controlled fires to burn underbrush and to thin dense young forests. We were shocked on a recent road trip by the blackened landscape that greeted our arrival in the city of Iglesias, where fire had torn across brush and trees that led right up to the city's edge.

Europe generally needs to be better prepared. Firefighting crews in southern Europe are exhausted, and equipment is stretched thin, especially the Canadair water-bombing planes, which are crucial for remote, hilly areas. Last month,

Italy, itself battling nearly 900 separate fires at one point, lent a Canadair to France as it fought a major fire on the Riviera near Nice.

The European Union, member nations and local authorities must buy more equipment and fund and train more firefighting crews, including community volunteers, before next summer's season of fire begins. As the earth heats up, year by year, the risk of fire will only increase.

INTERNATIONAL

The
Washington
Post

Trapped between Israel and Hamas, Gaza's wasted generation is going nowhere (UNE)

They are the Hamas generation, raised under the firm hand of an Islamist militant movement. They are the survivors of three wars with Israel and a siege who find themselves as young adults going absolutely nowhere.

In many circles in Gaza, it is hard to find anyone in their 20s with real employment, with a monthly salary.

They call themselves a wasted generation.

Ten years after Hamas seized control of Gaza, the economy in the seaside strip of 2 million has been strangled by incompetence, war and blockade.

Gaza today lives off its wits and the recycled scraps donated by foreign governments. Seven in 10 people rely on humanitarian aid.

Young people say they are bored out of their minds.

They worry that too many of their friends are gobbling drugs, not drugs to experience ecstasy but pills used to tranquilize animals, smuggled across Sinai. They dose on Tramadol and smoke hashish. They numb.

Hamas has recently stepped up executions of drug traffickers.

Freedoms to express oneself are circumscribed. But the young people speak, a little bit. They say their leaders have failed them — and that the Israelis and Egyptians are crushing them.

Why not revolt? They laugh. It is very hard to vote the current government out — there are no elections.

"To be honest with you, we do nothing," said Bilal Abusalah, 24,

who trained to be a nurse but sometimes sells women's clothing.

He has cool jeans, a Facebook page, a mobile phone and no money.

He and his friends get by with odd jobs, a few hours here and there. They worked at cafes during the busy evenings of Ramadan in June. They will help an uncle in his shoe shop as the school year approaches in August. They make \$10 a day at these kinds of jobs, a few coins for coffee and cigarettes.

"We are the generation that waits," Abusalah said.

Reporters asked a 25-year-old college graduate, who got his degree in public relations, what he did for a living.

He answered, "I stare into space."

Raw sewage washes onto the beaches. The water looks blue at the horizon, where Israeli gunboats lurk, enforcing a six-mile blockade. But the surf line is a foamy brown.

The rappers of Gaza see this as a metaphor. They are literally trapped in their own excrement.

Most young people in Gaza have not been out, either through Israel, which is almost impossible, or through the Rafah crossing into Egypt, which has been mostly closed for the past four years.

Electricity service is down to four hours a day. The young activists in the refugee camps who dared in January to protest power cuts? They were hustled off to jail.

In the dusty gray cement-colored world of Gaza, now sputtering along on Chinese solar panels and Egyptian diesel, young people

spend their days, day after day, playing with their phones, their worlds reduced to palm-size screens, to YouTube videos and endless chat.

Unemployment for Gaza's young adults hovers around 60 percent. This is not just a dull World Bank number. This is a stunning number, the highest in the Middle East and among the worst rates in the world.

Think-tank scholars warn that Egypt's youth unemployment rate of 30 percent is "a ticking time bomb." In Gaza, the jobless rate for young people is double that.

The Israeli government under Prime Minister Benjamin Netanyahu says what happens in Gaza is all the fault of Hamas, a terrorist organization. Hamas leaders traditionally blame the Israeli blockade for their problems. Gaza is allowed no seaport, no airport and limited exports, mostly fruits and vegetables, alongside some furniture and textiles. Lately the pressure on the strip has only gotten worse, as Palestinian Authority President Mahmoud Abbas recently slashed payments for Gaza's electricity, to squeeze people to reject Hamas.

Gaza's young people describe their lives as a kind of sick experiment.

The literacy rate in Gaza is 96.8 percent, higher than in the West Bank. The "Palestinian engineer" was once the gold standard in the Middle East. In the past, immigration was the door to life. That door has slammed shut. Few get out of Gaza these days.

Yet the universities of Gaza are still pumping out graduates by the thousands, even though the least

likely person to find work in Gaza today is a college graduate, especially a woman.

The youth of the Gaza Strip are quietly speaking out, saying their leaders have failed them — and the Israeli and Egyptian blockade is crushing them. How one woman from Gaza's 'wasted generation' finds purpose (Jason Aldag/The Washington Post)

(Jason Aldag/The Washington Post)

The most recent surveys reveal that half of the Gaza population would leave the enclave if given the chance.

"I don't believe it," said Mohammad Humaed, 24, who studied cinema at a university but works a couple of nights a week at a coffee shop in a refugee camp. "All the young people would leave."

Economists use the term "de-development" to describe what is happening.

Young people in Gaza have a joke to say the same thing.

They say their unemployed friends "are driving the mattress," meaning they spend their daylight hours sprawled in bed.

Two years ago, the United Nations warned that Gaza could become "unlivable" by 2020. U.N. officials recently said they had been overly optimistic: The place could collapse next year.

There are tiny, discrete pockets of wealth in Gaza, if you know where to look, alongside a gritty middle class. The universities of Gaza are overflowing with students striving to join their ranks.

This is the generation that grew up immersed in the rhetoric of the Hamas version of the Palestinian resistance, a moralistic message of piety and opposition to Israel hammered home in Hamas-controlled mosques and military-style summer camps for children and teens, who were taught first aid and how to throw a grenade.

But in many interviews, in their torn-just-so jeans and fresh white sneakers, Gaza's young people today say they would rather fight for a job in Tel Aviv than fight Israelis.

"If the borders were open, I'd work in Israel in a minute. I got absolutely no problem with that. Everybody would work in Israel," said Iyad Abu Hweila, 24, who graduated with a degree in English education two years ago but now spends his days hanging out.

"I have no achievements," he said.

Hweila asked if he could make a confession.

"I know it's bad, but sometimes I wonder, if there's another war with Israel, maybe there would be work for translators?" Hweila asked.

"That is sick, I know. I tell you this to show how desperate we feel," he said. "I want a job. I want money. I want to start my life."

Yearning for the outside world

This summer the nights are inky dark, now that power service has been reduced to three or four hours a day.

Every evening a group of friends gather on a rooftop. They sit on cheap plastic chairs or pieces of cement block. It is

cooler up there. The night sea breeze rattles the fronds of date palms, and you can hear some Hamas official on a radio program playing in a nearby apartment. Nobody on the roof pays any attention.

Asked what he did that day, Ahmed Abu Duhair, 25, said he slept until late afternoon.

He lives for the night. "Just talking, laughing, smoking on the roof to make us a little bit happy before we die," Duhair said.

"We are closer than brothers," he explained, as they passed the water pipe around and took deep huffs of apple-spiced tobacco. "We're not lazy guys. We've been working since we were kids."

They began to tell stories about their first jobs, selling cigarette lighters in traffic, helping vendors at the market. Asked how old they were then, they answered they were 8 or 9 or 10.

They were envious of their friend Tamer al-Bana, 23, the only one among them who was married. Bana has two young children and a third on the way. He had to borrow \$7,000 from a relative to wed, a debt that would take him years to pay off.

If the young men on the roof are desperate, so too are college graduates. Mona Abu Shawareb, 24, graduated with a degree in psychology a year ago but hasn't gotten her diploma yet because she owes the university money.

Shawareb tries hard to keep busy. She takes free English classes at a Turkish charity; she volunteers at an organization that works with street

youth; she did an internship with the U.N. refugee agency and learned Microsoft Word and Excel.

But like many unemployed young people here, she lives on the Internet, feeding friends and followers a stream of updates on Instagram, WhatsApp, Facebook and Snapchat.

Like most women in Gaza, Shawareb dresses conservatively when she leaves the house. But she confessed that when she looks at the Internet and sees women in the West running in athletic clothes, "I feel envious," she said. "I want to jog."

Mohammad al-Rayyas, 25, said his heart aches for Cairo, where he received a degree in accounting. In the two years he's been back home in Gaza, his life has stalled.

"It is more than boring," he said, struggling to find the words. "It is very slow. The time. It seems different here."

He has tried to find work in his field — at businesses, banks, international aid agencies. No luck. "No *wasta*. You know what *wasta* is?"

It is an Arabic word that, loosely translated, means connections or clout, and it often underscores a system plagued by corruption or nepotism.

Rayyas is unique among his contemporaries. He's traveled, he's gotten a taste, he's lived abroad.

It is a cliché to call Gaza an open-air prison, but to many people it feels not only as if there is no way out, but also that the walls are closing in.

Gaza is just 24 miles long on the coastline — less than the length of a marathon. At its narrowest it is just four miles, an hour's walk.

The enclave is surrounded by Israeli perimeter fence, bristling with cameras, watch towers and remote-controlled machine guns. On the Egyptian border, once honey-combed with Hamas smuggling tunnels, there is now a broad buffer zone, scraped clean by bulldozers, as forbidding as a no man's land.

And the sea? Gaza fishermen are blocked by Israeli gunboats and forbidden to venture beyond six miles. For young people, the sea that once brought relief is now so polluted by untreated human waste that the Health Ministry has warned bathers to stay away.

The big stories and commentary shaping the day.

Many young men in Gaza try to expend their energy playing sports. Rayyas even more so. He awakes at 5 each morning in his bed in his family's apartment and goes out to run six miles along the *corniche*. In the afternoons, he rides a bicycle his father bought for him.

Many days, he pedals all the way to the Egyptian border.

Before turning back, Rayyas imagines what it would be like if the border gates magically opened.

He said he'd pedal all the way to Cairo.

The
Washington
Post

Josh Rogin : How Trump can confront Iran without blowing up the nuclear deal

President Trump seems determined to not certify that Iran is complying with the nuclear deal when that question comes before him this fall. But that would be only the beginning of the story. He could follow such a determination with actions that risk blowing up the deal and the U.S.-Iran relationship. Or he could — as some of his senior national security advisers prefer — adopt a more careful, complicated approach.

There's a growing push both inside and outside the administration to craft a way to acknowledge what many see as Iran's violations of the nuclear agreement without precipitating a crisis. Many worry that provoking the deal's collapse would not only risk an unpredictable and dangerous escalation but also hamper the international effort to

confront Iran's regional expansion, support for terrorism and other mischief.

The question is whether Trump's national security team can persuade him to take a middle approach to a nuclear deal he campaigned against and clearly despises.

Evening Edition newsletter

The day's most important stories.

In a news conference last week, Secretary of State Rex Tillerson laid out his view that the Iran deal, formally called the Joint Comprehensive Plan of Action (JCPOA), must not dominate the administration's Iran focus. Tillerson admitted he disagrees with the

president on whether the agreement can be salvaged.

"The JCPOA represents a small slice of the Iranian relationship," he said, adding, "We continue to have conversations about the utility of that agreement, whether it has utility, whether it doesn't have utility."

"[President Trump] and I have differences of views on things like JCPOA and how we should use it," he said.

Tillerson argued for certifying Iran's compliance when it came up in April and July. Both times, Trump yielded to Tillerson's view. But in an interview with the Wall Street Journal last week, Trump suggested he won't again.

"If it was up to me, I would have had them noncompliant 180 days ago,"

Trump said, adding that next time, "I think they'll be noncompliant."

The intelligence community believes that Iran's violations are minor and do not amount to a material breach. But the president's view is that Iran is in violation of the spirit of the deal, a senior White House official told me. Under the law Congress passed, the certification is subjective.

It's also unclear what follows non-certification. Trump could continue to waive nuclear sanctions on Iran or stop, effectively reimposing them. The White House admittedly does not know how the Iranian government would react to new sanctions, the official said.

Congress could also reimpose sanctions if Trump does not certify compliance. For many Republicans,

having new negotiations with Iran would be nice but is not necessary. They agree with Trump that the deal is probably not worth saving.

"I don't think we get much benefit from the deal, so it collapsing doesn't trouble me all that much," said Sen. Tom Cotton (R-Ark.). "The president's instincts on Iran are sound."

Tillerson and national security adviser H.R. McMaster argue that if Trump decides not to certify Iranian compliance, rather than scuttle the deal he can work to improve it and increase pressure on Iran in other ways, according to sources involved in the discussions.

CIA Director Mike Pompeo agrees

with Tillerson and McMaster that Iran's regional threats are the near-term priority. Unlike Tillerson, Pompeo has never supported certifying compliance.

McMaster's team is leading an interagency policy review that is sure to call for expanding confrontation with Iran in places such as Yemen, Syria and Lebanon. The Iran deal, if in place, could be used as a pressure point while upping the ante on those fronts, experts argue.

Mark Dubowitz of the Foundation for Defense of Democracies and David Albright of Institute for Science and International Security have offered a middle approach they describe as "waive and slap," recommending

that Trump not certify compliance but continue to waive nuclear sanctions while imposing new sanctions on nonnuclear issues.

Skeptics doubt the Trump team can thread the needle, considering that once Trump declares noncompliance, there's no way to predict what Iran will do. Also, tinkering with the deal or reimposing sanctions could cause new disputes with European allies and other partners, such as Russia and China.

"Even if they did a great job, it's serious risks," said Daryl Kimball, executive director of the Arms Control Association. "And for what gain?"

If Trump is determined to get the United States out of the Iran deal, nobody can stop him. But if the majority of his national security team gets its way, Trump will repeat what he did with Cuba: make minimal changes to the policy, then declare he has undone Obama's "terrible deal" and fulfilled a campaign promise.

And if Trump can't bring himself to certify Iran's compliance anymore, he should at least minimize the chances his decision will cause a diplomatic crisis and distract the United States from the mission of combating Iran's other nefarious activities.



Trump's Alice-in-Wonderland approach to the Iran deal

Doyle McManus

Here's an international crisis you can, unusually, put on your calendar ahead of time: In October, President Trump wants to declare Iran in violation of the 2015 agreement to limit its nuclear program — a decision that would allow the United States to reimpose tough economic sanctions on anyone trading with Tehran.

It's a bad idea. The nuclear deal isn't perfect — it doesn't end Iran's nuclear research, only limits it for a period of years — but it's much better than nothing. Before the agreement, Tehran was believed to be less than a year from making nuclear weapons that would have threatened Israel and Saudi Arabia. Thanks to the accord, that doomsday problem has at least been postponed.

That hasn't stopped Trump from calling the pact "the worst deal ever" and ordering aides to supply him with evidence that will allow him to declare it invalid. The most likely moment for his decision will come in October, the next time he is required to notify Congress whether Iran is in compliance.

"If it was up to me, I would have had them noncompliant 180 days ago," Trump told the Wall Street Journal last month. Next time, he added, "I do not expect that they will be compliant."

[Trump] ordered his staff to begin work on a new study — one that will supply him with the excuses he needs.

The president didn't offer any substantive reason to declare Iran out of compliance with the deal — because there isn't one. His own aides told him last month that, while Iran has tested the edges of the agreement, none of its actions was a "material breach," the legal standard that would allow sanctions to snap back.

When Trump was warned that he couldn't simply walk away from the deal, "he had a bit of a meltdown," an official told the New York Times. He chewed out the secretary of State, Rex Tillerson, who apparently brought him the bad news. And he ordered his staff to begin work on a new study — one that will supply him with the excuses he needs.

That's an Alice-in-Wonderland approach to foreign policy: Verdict first, evidence later. And it's not likely to work.

No matter what the president thinks, the facts will get in the way. U.S. officials say Iran has been carefully upholding its main obligations under the nuclear agreement: reducing its uranium stocks and limiting its enrichment program.

And none of the other six countries that negotiated the deal agree with Trump that the accord should be abrogated.

"The deal ... is working, and we believe it represents the best option for the international community," British Foreign Secretary Boris Johnson wrote last month (and his government is friendlier to Trump than most).

As a result, if Trump declares in October that Iran is in breach, most of the world — including Britain, Germany and France — will blame him for the consequences, not Tehran.

That will create a major obstacle for the next step in Trump's course, which is to reimpose U.S. economic sanctions on foreign businesses that deal with Iran. (The nuclear deal didn't affect the embargo between the U.S. and Iran, which remains in effect.)

If the United States is viewed as responsible for breaking the deal, other countries may refuse to go along with Trump's unilateral sanctions, making them largely toothless.

"Nobody else wants the deal to fail," said Elizabeth Rosenberg of the Center for New American Security, who worked on sanctions in the Obama administration. "If the U.S. is the only one that walks away, who is going to enforce new sanctions? You could easily see European leaders deciding to defend their own companies instead."

Last month, the French energy giant Total signed a contract for a \$5-billion natural gas project in Iran. If Trump tries to impose sanctions on deals like that, the result won't be merely a confrontation with Iran; it will be a clash with the EU.

There is an alternative Trump could try. It's called diplomacy.

He could press for stricter enforcement of the nuclear agreement, beginning with the restrictions Iran has placed on

international inspectors' access to military bases.

He could seek stronger international sanctions on Iran for its ballistic missile tests, which aren't covered by the nuclear deal.

And he could begin negotiations toward a new agreement to maintain the curbs on Iran's nuclear program after 2026, when the current limits begin to expire.

But the president hasn't pursued those options, even though they've been offered to him by his own aides. Instead, he appears hellbent on fulfilling a bad campaign promise he should now have the wisdom to abandon. (That's a prayer more than a hope.)

Tearing up the deal won't bring down Iran's regime — most of Tehran's ruling clerics welcome the enmity of the United States — but it will set up a collision between the Trump administration and most of the world, including China, Russia and U.S. allies in Europe.

The most likely losers would be the Western alliance, already battered by Trump's disdain, and whatever remains of the United States' tattered claim to international leadership.

And the most likely winner, oddly enough, would be Vladimir Putin's Russia, the beneficiary of yet another wedge between United States and its NATO allies — this one driven by Trump alone, without Moscow's help.



Egypt's Leader Makes a Risky Bet on the Healing Power of Economic Pain (UNE)

Yaroslav Trofimov

CAIRO—Egypt's President Abdel Fattah Al Sisi is cutting food and fuel subsidies, a program long plagued by waste and corruption, in a high-stakes gamble to aid the stalled economy that none of his predecessors dared execute.

The economic shock therapy, coupled with a steep currency devaluation, has rocked the Arab world's most populous country. Fuel prices went up 50% in June, cooking-gas prices have doubled and the annual inflation rate has surpassed 30%.

As savings erode and consumer buying-power shrinks, Mr. Sisi is betting that the expected payoff—new jobs, foreign investment and growth—will arrive before the economic pain risks another social explosion in Egypt, whose 2011 revolution inspired other uprisings in what became known as the Arab Spring.

"The poor people are suffering too much, and the middle-class people are turning into poor people," said Osama Heikal, a pro-government lawmaker who worries about the austerity's social impact.

Tarek Kabil, the minister of trade and industry, compared the economic overhaul to an antibiotic. "You have to take the entire course," he said in an interview. "You cannot take one tablet and stop."

The subsidy cuts are among the conditions set by the International Monetary Fund in a \$12 billion loan agreement intended to help Egypt stabilize its economy after years of turmoil.

Subsidies on energy and food account for more than \$11 billion a year, or 18% of Egypt's current budget, even after the latest cuts. The subsidies are just one obstacle to economic growth, which has slowed in the years since the revolution. Labor laws make firing workers nearly impossible, the judicial system is unreliable, and the government bureaucracy stifles initiative. Compounding matters, the military essentially operates a parallel and largely unaccountable economy.

The subsidy cuts nudge Egypt toward fixing economic distortions but carry pain and risk, according to former foreign minister Nabil Fahmy, now a professor at the American University in Cairo. "Is there a cost to it? Yes, there is a cost," he said. "Now, the issue is: Will the return be large enough? Do we have enough time for the return to kick in?"

The government also has made infrastructure investments in electricity and transportation and is pushing plans to make it easier to open new businesses and factories,

as well as obtain land for entrepreneurial uses. A former minister of defense, Mr. Sisi has also increased the already large role the military plays in the Egyptian economy.

Countries throughout the Middle East, even such wealthy monarchies as Kuwait, also are pursuing economic overhauls as they try to create enough jobs to keep up with their burgeoning populations.

Across the Red Sea from Egypt, Saudi Arabia's new Crown Prince Mohammed bin Salman is trying an ambitious, if less painful, overhaul to wean the kingdom from its oil dependence. Under pressure, he rolled back austerity measures in April amid a succession struggle and mounting public dismay.

Mr. Sisi, who faces an election next year, has eliminated most political opposition and organized dissent since ousting and jailing Egypt's first freely elected president, Mohammed Morsi of the Muslim Brotherhood, in 2013.

Egypt's news media has been squelched and access to independent websites blocked in past months. New legislation has hobbled the work of nongovernment organizations, hiding the true scale of popular discontent. The government said the restrictions were needed to combat terrorism and extremism, a view disputed by human-rights groups and what remains of the opposition.

"The current stability is stability on the tip of a volcano that is on the verge of an explosion. When it will explode, no one can predict," said Abdelmoneim Aboul Fotouh, a moderate Islamist politician who received 17% of the votes in the first round of Egypt's 2012 presidential election.

"If it happens, it won't be a revolution carried out by the middle classes, like in 2011," Mr. Aboul Fotouh said. "Under current circumstances, what I'm afraid will happen is chaos. And if chaos unfolds in Egypt, it will be a threat not just to the Egyptians, but also to the whole region—and to the West."

Bargain bread

Every day, millions of Egyptians line up at government bakeries to buy five loaves of bread for less than two U.S. cents, a fraction of the wheat's cost. The food subsidies extend to some 80% of Egypt's families and were first instituted as part of rationing during World War II.

Farmers across Egypt nurture their crops with water pumps operating on diesel that, even after June's 55% increase, still retails for 77

cents a gallon, less than a third of retail prices in the U.S.

Over decades, the system has been corrupted by the illegal resale of subsidized food, fuel and gas by officials to buyers in Egypt and abroad, government officials said.

In 1977, Egypt's then-President Anwar Sadat tried to tackle the subsidy problems as he began opening the economy and abandoning the socialist and Arab nationalist legacy of his predecessor, Gamal Abdel Nasser. As part of a loan agreement with the IMF, Mr. Sadat ordered a reduction of subsidies on bread, sugar and cooking oil.

The announcement yielded mass protests that paralyzed the country. Dozens of people were killed, and Mr. Sadat quickly reversed his decision.

His successor, President Hosni Mubarak, learned the lesson. Over three decades of rule, Mr. Mubarak remained wary of touching subsidies even as he pursued such economic overhauls as privatization and free-trade deals.

Egypt's January 2011 revolution was sparked, in part, by outrage over corruption and cronyism that accompanied Mr. Mubarak's economic liberalization, and public sentiment leaned toward nostalgia for Nasser-era socialist policies.

Many high-profile business executives landed in jail, privatization deals were reversed, and tourism—a significant part of the economy—collapsed when potential visitors stayed away. With Egypt's foreign reserves dwindling, fuel and electricity shortages further crippled growth.

After winning the election in 2012, Mr. Morsi tentatively agreed to subsidy cuts and new taxes during negotiations with the IMF over a \$4.8 billion loan. A public outcry forced him to backtrack, badly denting his popularity, which was already shrinking because of the government's Islamist bent and intolerance. Mr. Morsi's regional backers, primarily Qatar and Turkey, stepped forward to provide Egypt with billions of dollars in funding.

Mr. Sisi ousted Mr. Morsi in 2013 and turned to his own regional backers—the United Arab Emirates, Saudi Arabia and Kuwait. These Gulf monarchies, fearful of the Arab Spring contagion and eager to stem the spread of Muslim Brotherhood influence, funneled tens of billions of dollars to shore up Egypt's economy. By last year, amid tensions between Cairo and Riyadh, that spigot dried up, too.

With a worsening deficit and shrinking foreign-exchange

reserves, Egypt had little choice but to accept the IMF's bitter medicine.

Mr. Sisi floated the Egyptian pound, which immediately lost roughly half its value against the U.S. dollar. Then his government signed the \$12 billion loan deal with the IMF in November that included a pledge to trim food and fuel subsidies.

"They have been courageous, but they've been courageous under duress," said Mohsin Khan, a fellow at the Atlantic Council and the IMF's former director of Middle East and Central Asia. "Their options were very limited."

Hard choices

The government's goal is to end the subsidies in three to five years, according to Mr. Kabil, the trade and industry minister. "The right thing to do is to lift them totally," he said. "But you cannot do it today because you cannot correct 40 years of problems in one day."

Instead of supplying subsidized food and fuel to most Egyptians, the government is moving to make cash payments to individuals based on need and, more broadly, increasing minimum salaries and pensions.

"You cannot have a subsidy as a blanket cover to the entire population," Mr. Kabil said. "Some people do not require a subsidy." Rationalizing the system will allow for more spending on health, education and industry growth, he said.

It has been a tough sell to the average Egyptian. At a line outside the government bakery in Cairo's Maadi district, Sayed Mohammed Sayed, a retired civil servant, launched into a tirade as others nodded.

The recent 100-Egyptian-pound increase in his monthly pension, about \$5.63, was useless considering the country's inflation, Mr. Sayed said: "We don't know how much longer we will be able to stick it through. Everything has shot up in price. Everything. And what are we getting in exchange for these skyrocketing prices? Nothing."

In Cairo's poorer Shubra neighborhood, Fatma Hassan, a 35-year-old mother of two, was just as angry. Her family's income of around 4,500 Egyptian pounds a month, which provided a comfortable lifestyle a year ago, barely affords subsistence, she said.

"We used to have no restrictions on what we eat, where we go, what to wear," Ms. Hassan said. "At the end of the year, we started omitting things we once could afford. Now, there is nothing left for us to do without."

Recent increases in the price of subsidized cooking gas, oil and sugar risk putting the family over the edge, she said: "We don't know what to do. Do they want us to rob a bank?"

As the government saves money from subsidy cuts, bringing prices for basic commodities more in line with market rates, Egypt should be able to accelerate cash subsidies to the poorest Egyptians, said Naguib Sawiris, a media tycoon and one of Egypt's most prominent business owners. "The

**THE WALL
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Prime Minister Netanyahu's Allies Come to His Public Defense

Rory Jones

Fearing the collapse of Israel's delicate governing coalition, allies of embattled Prime Minister Benjamin Netanyahu on Sunday came out in his defense after a former aide agreed to turn state witness in twin police corruption probes.

"I trust the PM 100%," Miri Regev, culture minister and member of Mr. Netanyahu's right-wing Likud party told reporters Sunday. "The media and the opposition are doing everything to topple the right, to topple Netanyahu."

Although Mr. Netanyahu denies any wrongdoing—and has labeled the monthlong police investigations a witch hunt to force him from power—the pressure on the prime minister has continued to build. Mr. Netanyahu was dealt a significant blow Friday when Ari Harow, former head of the prime minister's bureau, became a state witness into allegations of bribery and fraud.

There would be "no witness agreement, if there is nothing" serious to investigate, Yoaz Hendel, chair of the Institute for Zionist Strategies, a right-of-center think tank, and a former spokesperson for Mr. Netanyahu, said Sunday of the cases against his former boss. "Ari

population needs someone to explain to them where is the light at the end of this tunnel to accept any more austerity measures."

The chaos that has ravaged Egypt and other countries after the Arab Spring appears to have made Mr. Sisi's efforts at economic change more palatable. Having witnessed the economic meltdown and the breakdown in law and order after their own revolution in 2011, many Egyptians—despite unhappiness with the austerity program—are, for now, wary of taking to the streets

is game changing."

Israeli investigators offered Mr. Netanyahu's former aide a deal to become a witness after police in February, recommended indicting Mr. Harow on charges of fraud, breach of trust, bribery and money laundering. He is accused of using his public role to benefit his private consulting business. The investigation into Mr. Harow was launched separate from those into Mr. Netanyahu.

As part of the deal to become state witness, Mr. Harow agreed to confess to the charges and to serve six months community service with a fine of 700,000 Israeli shekel (\$193,000), police said. An Israeli court also issued an order banning further publication of Mr. Harow's involvement in the investigation.

A lawyer for Mr. Harow didn't respond to request for comment.

Mr. Netanyahu called the Harow development "background noise" in a Facebook post over the weekend. His spokesman on Sunday referred to that statement in response to questions about Mr. Harow's decision.

An indictment for corruption wouldn't legally obligate Mr. Netanyahu to resign but is bound to unleash calls

again. The latest round of subsidy cuts in June produced only minor protests.

"The people are suffering tremendously from the terrible economic situation and increased living costs," said Younis Makhoun, head of the Salafi Islamist Nour party. "But they also see the experiences of neighboring countries—Syria, Libya and Iraq—and dread Egypt facing the same fate."

across Israel's political spectrum for the prime minister to step down.

"The coalition partners right now don't want early elections so Netanyahu has political capital to expend," said Emmanuel Navon, a political analyst and lecturer at Tel Aviv University. "But I think an indictment might be too much."

For Israel, Mr. Netanyahu's departure from the prime minister's office would be akin to a political earthquake. He has been at the center of politics for more than two decades and served as the country's leader since 2009, his second stint at the helm. He has held together a fractious right-wing government often by the dint of his personality. His coalition maintains a slim majority, with 66 seats in the 120-member Israeli parliament, known as the Knesset.

Elections currently aren't due until 2019. But as the police probe into Mr. Netanyahu has gathered steam, polls in recent months have shown the Likud would lose seats in parliament in a fresh election.

Police first questioned Mr. Netanyahu in early January about whether he received unlawful gifts in return for favors for business moguls.

—Dahlia Kholiaif contributed to this article.

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Appeared in the August 7, 2017, print edition as 'Egypt Bets on Power of Economic Pain.'

Police also have said they are investigating whether Mr. Netanyahu negotiated with the publisher of Yedioth Ahronoth, Arnon Mozes, to gain more favorable coverage in return for limiting the influence of a rival newspaper, Israel Hayom, which is owned by U.S. billionaire Sheldon Adelson. Messrs. Mozes and Adelson haven't commented publicly on the issue.

Under the Israeli legal system, the police would have to recommend an indictment to the country's attorney general who would then file the formal indictment against the leader. That procedure could take months.

Mr. Harow, who turned state witness, first served as an adviser to Mr. Netanyahu ahead of the leader's 2009 election win. Mr. Harow then left the prime minister's office in 2010 before returning in 2014 to help mastermind Mr. Netanyahu's victory in national elections a year later.

Police found a recording of a conversation between Messrs. Netanyahu and Mozes about newspaper coverage in the home of Mr. Harow while investigating him, Israeli media reported. Police have declined to comment on the existence of the recording.

**THE WALL
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Saudi Crown Prince and U.A.E. Heir Forge Pivotal Ties

Margherita

Stancati

The heirs to the throne in Saudi Arabia and the United Arab Emirates hardly knew each other until they enjoyed a beloved Gulf pastime together—an overnight camping trip in the vast Saudi desert, accompanied by trained falcons and a small entourage.

The outing about a year and a half ago, equivalent to a round of presidential golf, was a turning point in the burgeoning friendship between Prince Mohammed bin Salman, the son of the Saudi king,

and Sheikh Mohammed bin Zayed, the Emirati crown prince, according to people familiar with the excursion.

Oil-rich and ultraconservative Saudi Arabia is aligning its policies with its smaller and more liberal and economically-diverse neighbor. And the relationship between the two princes, widely known by their initials as MBS and MBZ, is being seen as central to the Saudi shift.

The Saudis are taking bolder steps to curb religious extremism at home and toughening their stance toward Islamist groups abroad, something the U.A.E. has long advocated.

Saudi Arabia is also embracing a more aggressive foreign policy, most recently by leading efforts with the U.A.E. to impose an embargo on Qatar, another small Gulf neighbor. Qatar has supported Islamist groups such as the Muslim Brotherhood in Egypt and Hamas in the Gaza Strip and maintained ties to extremist groups, drawing the U.A.E.'s ire.

"MBS and MBZ have created this situation," Andreas Krieg, a former adviser to Qatar's government and a Gulf expert at King's College, London, said of the embargo crisis.

Until recently, he said, the Saudi prince got on well with Qatar's ruling emir. "But because Qatar and the U.A.E. are 180 degrees apart from each other, Saudi Arabia had to make a choice," Mr. Krieg said.

The Saudi leadership was divided over how to handle Qatar, according to several people close to the royal court. Saudi and U.A.E. officials said the decision on Qatar was made jointly. The Saudi royal court didn't respond to a request for comment.

The growing alignment between Riyadh and Abu Dhabi has far-reaching implications for the region

and for the U.S. The Trump administration has taken a hard line against Iran and welcomed closer cooperation with Saudi Arabia and the U.A.E. against their common rival.

At the same time, the more aggressive Saudi-U.A.E. posture poses challenges for Washington. The Trump administration is spearheading efforts to resolve their feud with Qatar, which is home to America's largest military base in the Middle East and used by aircraft involved in fighting Islamic State in Iraq and Syria.

The U.A.E. sees a stable and moderate Saudi Arabia as a top national-security priority largely because of its position as the birthplace of Islam, say people close to the Emirati leadership. Saudi Arabia and its fellow regional powerhouse Egypt influence the Muslim world far beyond their borders.

"They are the two centers of gravity for Islam. If they are not moderate,

we could lose Islam to more radical Islamic ideologies," said a senior Emirati official. "For us to protect Islam, Saudi Arabia and Egypt need to succeed."

The Emirati leadership sees Mohammed bin Salman as the best bet to prevent instability in Saudi Arabia, say the people close to the U.A.E. leadership. Mohammed bin Salman, who is 31, ascended rapidly through the Saudi leadership after his father became king in early 2015, taking over the defense and economic portfolios. In June, he was named crown prince.

Mohammed bin Zayed, who is 56 and his country's effective ruler, helped orchestrate President Donald Trump's trip to Saudi Arabia in May and he and other senior Emirati officials played a key role in lobbying the new U.S. administration in favor of Mohammed bin Salman, say people familiar with the relationship.

"Mohammed bin Zayed sees in Mohammed bin Salman someone who is a modernizer and who

understands the importance of Saudi Arabia in the world," said one of the people close to the Emirati leadership.

Mohammed bin Salman is spearheading an ambitious program aimed at overhauling Saudi Arabia's economy, ending its dependence on oil and gradually opening up Saudi society.

The kingdom has looked to the U.A.E. for guidance on issues ranging from how to develop an indigenous defense industry to overhauling its sovereign-wealth fund, say people close to the leadership of both countries.

The U.A.E. unveiled a similar plan to diversify its economy a decade ago, and Saudi Arabia turned to some of the same banks and consultancy firms for assistance in formulating the Saudi plan.

The Emirati city of Dubai, which has little oil of its own, in recent decades transformed itself into a regional trade and tourism hub.

Saudi Arabia now wants to develop its own tourism industry. On Tuesday, the kingdom announced plans to develop its Red Sea coastline and some 50 islands into a sprawling tourist site, which foreigners of most nationalities could eventually visit visa-free. In a country that currently doesn't even issue tourist visas, the project would mark an unprecedented opening to foreign visitors.

The ties between Mohammed bin Salman and Mohammed bin Zayed represent "a new dynamic that is really reshaping the region, not just now but also in the future," said Danny E. Sebright, a former U.S. Defense Department official and president of the U.S.-U.A.E. Business Council.

—Dahlia Kholaif contributed to this article.

The New York Times Thousands of Yemeni Forces Target Qaeda Stronghold

Saeed Al-Batati and Eric Schmitt

AL MUKALLA, Yemen — Thousands of Yemeni troops are conducting a clearing operation aimed at driving Qaeda militants from one of their major strongholds in southern Yemen, according to Arab and American security officials.

The offensive in Shabwa Province started last week and includes about 2,000 Yemeni forces backed by dozens of advisers from the United Arab Emirates, and a handful of United States Special Operations commandos providing intelligence and planning assistance, American officials said.

It is the largest military operation against Qaeda fighters in Yemen since Yemeni troops in armored vehicles and backed by airstrikes seized this major port city in April 2016, after the militants had used it as a base from which to storm through the southern part of the country.

The continuing operation is the latest phase of an increased campaign against the Yemeni militants since President Trump took office. It also reflects Mr. Trump's general embrace of President Barack Obama's strategy to aid local allies fighting insurgents in hot spots like Yemen, Somalia and Nigeria, rather than dispatch large numbers of American troops.

Yemen poses a singular challenge for the West and has captured Mr. Trump's attention from his first days

in office. A member of the Navy's elite SEAL Team 6 was killed in a ground raid in Yemen in January in the first such operation Mr. Trump authorized. Al Qaeda's Yemeni branch is widely considered the militant group's most dangerous worldwide affiliate, with a particular focus on blowing up commercial airliners.

Yemen, one of the poorest countries in the Arab world, has been convulsed by civil strife for more than two years. In the west, Houthi rebels ousted the government of President Abdu Rabbu Mansour Hadi, the United States' main counterterrorism partner in the country, and have been fighting a Saudi-led coalition of mostly Sunni Arab countries that back Mr. Hadi.

In the country's central and southern regions, the United States, with help from the United Arab Emirates and allied Yemeni tribesmen, has been waging a shadow war against more than 3,000 members of the Qaeda affiliate and their tribal fighters.

Since Feb. 28, the United States has conducted about 80 airstrikes against Qaeda militants in Yemen, Capt. Jeff Davis, a Pentagon spokesman, told reporters in Washington on Friday. In 2016, the United States conducted 38 strikes in Yemen, according to the Long War Journal by the Foundation for Defense of Democracies.

In addition to sharing intelligence with its Yemeni and Emirati partners, the United States is providing midair refueling and

overhead reconnaissance for forces involved in the operation, Captain Davis said.

Moreover, the Bataan Amphibious Ready Group, a collection of United States Navy ships packed with Marines, is in the region and could assist the operation, as other American amphibious groups have in the past, Pentagon officials said this weekend.

The current operation began overnight Wednesday with Yemeni fighters traveling from Hadramawt Province, where they had been receiving training from Emirati advisers, toward oil and gas facilities in northeast Shabwa Province, according to Katherine Zimmerman, a Yemen analyst with the American Enterprise Institute in Washington.

The Yemeni forces, called the Shabwani Elite, are in the process of securing major cities in the province — such as Azzan, Ataq and Jordan — from Qaeda militants and are also conducting clearing operations in the surrounding areas, officials said.

Images on social media showed the armed Yemeni units rolling through villages in pickup trucks and armored vehicles flying the South Yemen flag.

"We will see a show of force to secure the key infrastructure in the province — the energy infrastructure, major population centers and checkpoints along the road — but the challenge will be clearing out the rural areas of

Shabwa that include quite mountainous terrain, especially where AQAP sanctuaries tend to be," Ms. Zimmerman said, referring to the affiliate, Al Qaeda in the Arabian Peninsula.

Last Thursday, the Emirati ambassador to Washington, Yousef al-Otaiba, issued a rare public statement about the Yemeni operation, saying it was "being closely supported by a combined U.A.E. and U.S. enabling force." Mr. Otaiba said the mission's goal was "to disrupt the terrorist organization's network and degrade its ability to conduct future attacks."

Shortly before the arrival of the Yemeni forces in Azzan, a Qaeda stronghold, residents reported seeing drones, helicopters and warplanes over the area firing some kind of preliminary warning shots.

"They were firing sound bombs on targets inside and outside the town, as if to tell Al Qaeda to go before the arrival of the new forces," Abdul Sallam, a resident who preferred to be identified by his first names, said on Saturday.

The militants apparently got the message and began fleeing the town and other neighboring villages, and by Friday night Yemeni forces had reclaimed the town, officials said.

Mohammed Salem Al Qumishi, a commander of a group of forces backed by the United Arab Emirates, said the troops had seized control of 13 checkpoints and three

districts in Shabwa. The militants tried to obstruct his forces by planting land mines and makeshift bombs as they raced out of town. "They fled to the mountains after failing to stop our forces," he said.

A local government official, who spoke on the condition of anonymity because he was not authorized to talk to reporters, said the military operation was explicitly designed to

secure oil and gas facilities in Shabwa Province.

Around the Balhaf liquefied natural gas plant in Shabwa, Khalid Al Adhami, a local army commander responsible for security of the

facility, said that Sudanese, Emirati and Yemeni soldiers were protecting it. "The plant is secured from Al Qaeda attacks," he said.

The
Washington
Post

'A coalition of killers': The ex-warlords promising Afghanistan's 'salvation'

MAZAR-E SHARIF, Afghanistan — Afghan President Ashraf Ghani likes to say that he has the world's most difficult job, and no one doubts that he is at least in the running. But amid the plethora of problems he faces, it might come as a surprise that his first vice president, whom he selected, is one of the biggest.

Then again, Abdurrashid Dostum's name is synonymous with volatility and brutality. For decades, the former plumber, wrestler and oil refinery worker has led northern Afghanistan's ethnic Uzbeks, first as a ruthless — and reckless — militia commander, now as a politician. The U.S. State Department, in cables released by WikiLeaks, once called Dostum a "quintessential warlord," and Ghani himself termed him a "known killer."

That didn't stop Ghani from making a deal with him. In the last presidential election, Dostum promised and delivered to Ghani the crucial Uzbek vote, propelling the unlikely duo to a narrow victory. But what was convenient a year ago is now quite the opposite. Instead of helping Ghani unite the country, Dostum has revived a sense of indignation toward Afghanistan's ethnic Pashtun majority and cobbled together an insurrection in the multiethnic north.

Ghani and Dostum's fragile compact began to unravel when the vice president was accused last December of ordering an elderly political rival to be manhandled and sodomized with a Kalashnikov. It was the second time he had been charged with a similar offense. After the first instance in 2008, Dostum went into a long exile at his lavish home in Turkey. Since refusing to cooperate with the attorney general in May, he has been out of Afghanistan, mostly in Turkey again.

Dostum claims the charges are a form of blackmail, aimed at stripping him of his authority. His followers contend that Ghani used Dostum for votes and is consolidating power into a cabal of ethnic Pashtuns. They say the government neglects and even encourages the deterioration of security in the minority-dominated areas in the north where the Taliban and the Islamic State's regional affiliate have

wrested control of numerous districts and launched a string of suicide bombings and kidnappings.

Last month, Dostum attempted to fly from Turkey to the northern city of Mazar-e Sharif, but the government prevented the plane from landing once it learned who might be on board. At a meeting of Dostum's followers in late July, two of his closest aides expressed hope that he would return any day, probably by barging across a nearby land border with either Uzbekistan or Turkmenistan. His return, they said, would mark the beginning of a massive wave of protests.

[Trump's crude view of Afghanistan won't solve U.S.'s longest-running war]

Dostum's co-conspirators call themselves the Coalition for the Salvation of Afghanistan. They have not always been friendly with each other. Foremost among them is Tajik warlord-turned-provincial-governor Attah Mohammed Noor — against whom Dostum fought vicious battles in the early 1990s. They are joined by Mohammad Mohaqiq, an ethnic Hazara leader and deputy to the government's chief executive, and Foreign Minister Salahuddin Rabbani, a member of Noor's Jamaat-e-Islami party. Together they claim to represent Afghanistan's three largest ethnic minorities, although the depth of their support among the public, let alone within their own parties, is yet to be put to the test.

They insist that they are not calling for the collapse of the government, only that Ghani relinquish power to officials and cabinet ministers hailing from various parties and ethnicities, Dostum prime among them. A key demand is that the criminal case against Dostum be dropped and his return to Afghanistan expedited. Their rhetoric is menacing.

"We see this as a tyrant government," Noor said in an interview at his opulent office in Mazar-e Sharif. He said that the coalition is negotiating with the government but that if coalition members aren't heeded, that could change. "We may have to take control of administrative buildings and airports to put pressure on and paralyze the government," he said.

Noor took aim at the U.S. government, too, which coalition supporters see as taking Ghani's side in what should be an internal political dispute.

"We were the ones, not Ghani, who helped the U.S. fight the Taliban," he said. "It is wrong that the U.S. should use us when they need us and then throw us away like empty Pepsi cans. They shouldn't support a group of five individuals against everyone else," he added, referring to an earlier claim that all government decision-making is channeled through Ghani and four others, all Pashtuns.

[What would happen if the United States totally disengaged from Afghanistan?]

The allegations of unscrupulousness fly both ways. Ghani's office has been dismissive of the coalition, saying that its members' outrage stems not from any illiberalism on his part but from the fact that his firm stance on eliminating corruption has cut off strongmen such as Noor and Dostum from systems of patronage. Ghani, a Western-educated former World Bank employee who gave up U.S. citizenship to run for president, has emphasized transparency as a way of shoring up Afghanistan's corruption-riddled institutions.

"For the first time, powerful people feel that their wrongdoings will be accounted for through a proper apolitical, independent judiciary — and they feel threatened," said Haroon Chakhansuri, a deputy chief of staff in Ghani's office.

The rift risks exacerbating ethnic polarization, especially with coalition leaders claiming that Ghani is brazenly limiting power, not just to Pashtuns, but also to a small group of confidants from his clan — and all under the nose of American advisers who espouse inclusive governance.

On the other side, the lack of any major Pashtun leader in the coalition has made Pashtuns in the north uneasy about the coalition's intentions.

"This coalition is nothing but a coalition of killers," said M.W. Matin, a doctor in Mazar-e Sharif who plans to run for office in next year's parliamentary elections. "But the

tragedy is that Ghani had to bring a killer like Dostum into his office just to win."

For some Uzbeks, Dostum's violent past is a source of pride. They believe him when he claims to be descended from an ancient line of Uzbek emperors. His face looks out from dozens of giant billboards over Mazar-e Sharif's drab grid of streets.

"We say that Ghani has a 'money bank' but Dostum has a 'people bank,'" said Sher Aqah Tataroghla, a 23-year-old student living in a hostel that is mostly Uzbek. "In the past we couldn't even speak Uzbek in public, but now you'll see it on signs around the city. One hundred percent of us are behind him."

Today's WorldView

What's most important from where the world meets Washington

Tajiks in Noor's party and Hazaras in Mohaqiq's do not seem to be uniting behind the coalition as uniformly as Uzbeks. Those leaders command more limited cachet in their communities, with followings that pale in intensity compared with Dostum's. Stoking that sense of ethnic solidarity — mobilized through voting blocs as well as people in the streets — may well be the crux of the coalition's ultimate strength. Without it, many Afghans may find it difficult to see its leaders as fighting for anything but themselves.

"It's not for salvation as they say, it is about their money and their pride — that's how politicians are all over the world, right?" said Moqaddas Rahim, 28, who has been unemployed for four years after serving as an interpreter for U.S. forces. He knows how to use a computer and speaks six languages, including fluent English with a distinctly southern twang.

"To be a good Afghan, you can't trust your government," he said. "Look, I'm hopeless, man — not about my God but about my country. Here, the worst criminals become the most powerful people."

Sayed Salahuddin contributed to this report.

Tillerson Hails U.N. Sanctions, as Chinese Minister Rebukes North Korea at Asean Meeting

Gardiner Harris

MANILA — A day after the United Nations Security Council passed its toughest sanctions against North Korea, Secretary of State Rex W. Tillerson met with his South Korean and Chinese counterparts here in hopes of ratcheting up pressure on Pyongyang.

In a midday conclave on Sunday with Foreign Minister Kang Kyung-wha of South Korea, Mr. Tillerson hailed in his typically understated fashion the United Nations vote, which could cost North Korea nearly \$1 billion a year, or about one-third of its foreign earnings.

"It was a good outcome," Mr. Tillerson said with a smile.

Ms. Kang, sitting across the table from him, could not resist chiming in: "It was a very, very good outcome."

Despite Mr. Tillerson's obvious glee, though, the man of the moment here at the annual ministerial meeting of the Association of Southeast Asian Nations, or Asean, was the Chinese foreign minister, Wang Yi, a dashing diplomat who unlike Mr. Tillerson held a news conference and direct talks with Foreign Minister Ri Su-yong of North Korea.

Mr. Wang said the two had "an intensive conversation," and in unusually strong terms, he later urged North Korea to show restraint.

"Do not violate the U.N.'s decision or provoke the international society's good will by conducting missile launching or nuclear tests," Mr. Wang said.

He also said, "Of course, we would like to urge other parties like the United States and South Korea to stop increasing tensions."

A year ago, the Chinese were on their heels in this region. An international tribunal in The Hague last July delivered a sweeping rebuke of China's behavior in the South China Sea, including its construction of artificial islands, finding that its expansive claim to sovereignty over the waters had no legal basis.

The case, brought against China by the Philippines, seemed like a turning point in China's disputes with a host of regional players, including Brunei, Indonesia, Malaysia, Taiwan and Vietnam.

A few months before that ruling, 12 nations in the Pacific region concluded more than seven years of negotiations by signing the Trans-Pacific Partnership, or TPP, a trade agreement that bound much of Southeast Asia together with the United States and Japan in an economic partnership intended to fight China's growing economic hegemony in the region.

While China had its own regional trade accord, the United States-led pact had become the preferred agreement, with several nations that had missed out on the initial round of negotiations expressing interest in joining in a second round.

How things have changed.

President Rodrigo Duterte of the Philippines, elected last year, has backed down from his country's insistence that China abandon the shoals at the heart of the tribunal's decision, preferring instead to accept significant Chinese economic assistance.

In a news conference on Friday, the Philippine foreign affairs secretary, Alan Peter Cayetano, said the fight with China was not worth the cost.

"If we go harsh with everyone, our people will suffer — trade, direct foreign investments, tourism," Mr. Cayetano said.

With the Philippines serving as host to Asean, the country's about-face lifted a significant cloud over China, with only Vietnam reportedly continuing to insist that the group condemn Beijing's actions.

Instead, Asean and China adopted a fairly weak negotiating framework for a code of conduct in the South China Sea — several steps removed from anything that could force China to abandon its territorial claims or give up the seven islands it has built in the disputed waters, three of which are equipped with runways and military hardware.

Mr. Wang said the adoption of the framework created a solid foundation for negotiations that could start this year, if "the situation in the South China Sea is generally stable and on the premise that there is no major interference from outside parties," Reuters reported.

Few believe the framework will lead China to conclude a binding agreement anytime soon.

Perhaps even more important, in his first days in office, President Trump renounced TPP. That action, along with his years of denunciations of the trading policies of Japan and China and a promised "America First" pivot, seemed to many in the region to represent a significant retreat by the United States from its military and economic engagement here, and an important victory for China.

President Barack Obama had lavished attention on the region, where he spent part of his childhood and which has a population of more than 620 million and a collective economy of around \$2.4 trillion, the third-largest in Asia behind those of China and Japan.

Geographically astride the world's busiest and most strategic shipping lanes, the region was the fulcrum of the administration's rebalancing toward Asia.

Mr. Trump has yet to demonstrate a similar interest or commitment to the region.

In his opening remarks to the conference, Mr. Tillerson sought to put to rest fears that the United States would abandon the region, saying that his multiple meetings with ambassadors were "indicative of the importance that the United States pays and places on this relationship with Asean."

And while Mr. Tillerson chose not to meet with journalists on Sunday, his top diplomat for the region, Susan A. Thornton, the acting assistant secretary for East Asian and Pacific affairs, said that multiple visits by top administration officials had demonstrated its continued importance to the United States.

"The engagement is not a question," she said.

Still, Ms. Thornton gave credit to the Chinese for supporting Saturday's vote in the United Nations against North Korea.

"The fact that the Chinese were helpful and instrumental really in setting up this set of sanctions, this really sweeping set of international sanctions, shows that they realize it's a huge problem that they need to take on and is a threat to them," she said.

But Ms. Thornton cautioned that Beijing has often failed to follow through on its promised tough

measures against Pyongyang. China accounts for more than 90 percent of North Korea's external trade, and it has long avoided tough economic sanctions against the North for fear that a collapse of the government would lead to a flood of refugees, as well as the North's reunification with the South, putting a close American ally directly on China's border.

"I think we still are going to be watchful as to their implementation of the sanctions," Ms. Thornton said. "But this is definitely an important step."

Also on Sunday, Mr. Tillerson met with Foreign Minister Sergey V. Lavrov of Russia. Mr. Lavrov has often spoken expansively and sometimes humorously in the moments before or after meeting top American diplomats. But though he and Mr. Tillerson both smiled and appeared relaxed as they made small talk in the moments before their official meeting, neither said anything to a contingent of journalists briefly ushered into their presence.

Mr. Trump signed legislation on Wednesday imposing sanctions on Russia and limiting his authority to lift them days after President Vladimir V. Putin of Russia decided to reduce the American diplomatic mission in Russia by 755 employees, actions that have plunged relations between the two countries to their lowest point in decades.

In comments that were broadcast on Sunday on Russian television, Mr. Lavrov said that Mr. Tillerson had asked about the details of the reductions in American diplomatic staff members in Russia and that Mr. Lavrov had explained how it would work, according to a translation provided by The Associated Press.

Mr. Lavrov also said Mr. Tillerson had promised to send the United States special envoy for Ukraine, Kurt Volker, to Moscow for discussions.

Correction: August 6, 2017

An earlier version of this article referred incorrectly to the foreign minister of South Korea. The minister, Kang Kyung-wha, is a woman.

New North Korea Sanctions Are in a Race With Pyongyang's Missile Development (UNE)

Jake Maxwell Watts and Ben Otto

MANILA—The United Nations Security Council passed the toughest-ever economic sanctions against North Korea over the weekend. Now comes the hard part: making them stick, and fast.

U.S. Secretary of State Rex Tillerson met here Sunday with counterparts from China, Russia, and a host of Asian countries as he sought to build momentum to isolate North Korea. He described the sanctions as “a good outcome.”

Chinese Foreign Minister Wang Yi, who met Sunday in Manila with his North Korean counterpart, said Beijing has urged Pyongyang “to stop the missile tests and even nuclear research which violate U.N. Security Council resolutions and the wishes of the international community.”

There is one major obstacle, however: Time is running out. The most recent missile launched by the regime at the end of July would be able to fly more than 6,400 miles, according to one analysis, putting Los Angeles, Denver and Chicago within range. Some experts believe North Korea could develop a nuclear missile capable of handling atmospheric re-entry as early as next year.

“The problem with sanctions alone is that we don’t have that kind of time,” said Leon Sigal, director of the New York-based Northeast Asia Cooperative Security Project, pointing to lags between when sanctions are implemented and enforced and when the economic effects are felt. “They’re very close to an ICBM.”

The Security Council has passed eight rounds of sanctions since 2006, when North Korea performed its first nuclear test. The sanctions hurt the secretive regime economically but failed to deter Pyongyang from working to become a nuclear power.

The latest sanctions, passed unanimously with the support of China, North Korea’s biggest economic partner, are meant to

close loopholes around the world that have allowed the rogue regime to cultivate trade, financing and labor ties to support its nuclear programs.

China in a statement Sunday called the sanctions necessary. Beijing accounts for 90% of the North Korean regime’s trade, according to various estimates.

In the meeting with China on Sunday, North Korea’s foreign minister, Ri Yong Ho, restated Pyongyang’s position on nuclear policy, said Mr. Wang, the Chinese foreign minister, without elaborating. On Monday, North Korea’s state news agency called the sanctions “a frontal attack on our republic and violent infringement on our sovereignty,” declared it an “outrageous delusion” to think that they will shake Pyongyang’s attitude, and pledged retaliation against the U.S.

Later Monday, Mr. Ri will have a chance to speak to the 27 members of the Asean Regional Forum gathered in Manila for the security meetings.

R.C. Hammond, Mr. Tillerson’s communications adviser, told reporters that the Chinese meeting made clear to the North Koreans “what they need to do to demonstrate to the world they understand and would like to discuss a new role for North Korea in the global community.”

The new sanctions ban trade in coal with North Korea and bar countries from employing North Korean laborers and entering into joint ventures with Pyongyang. U.S. officials say the sanctions could cut a third, or \$1 billion, from North Korea’s foreign revenue.

“I think the efforts to isolate [North Korea] are already working, even with the previous sanctions in place. The problem is that they have not brought the ‘desired effect’—which should be progress in the denuclearization,” said Oh Joon, a professor at Kyung Hee University in Seoul and a former South Korean ambassador to the U.N.

The U.S. faces resistance in Asia, where countries have business ties with North Korea dating back decades and experts say that many companies and individuals profit from hard-to-detect financing of trade. The biggest challenge is China, experts say, which hasn’t fully enforced past sanctions, chiefly because it is concerned that if the Pyongyang regime collapses a conflict could draw U.S. troops near the Chinese border or send droves of North Korean refugees across its border.

China has said in the past it complies fully with U.N. sanctions on North Korea but opposes U.S. unilateral sanctions.

China’s trade with North Korea rose 10.5% in the first half of this year as part of its normal economic relationship not covered by sanctions, Chinese trade data show.

“Beijing’s reluctance to implement U.N. sanctions is further enabling Pyongyang to sprint down the weapons path,” said Duyeon Kim, a visiting senior fellow at the Korean Peninsula Future Forum in Seoul. “China knows it can squeeze the North enough without the collapse that it fears, but Beijing chooses not to because of its own strategic interests.”

U.S. presidents have implored China to crack down on North Korea. Former President Barack Obama called on China to put pressure on the regime to abandon its nuclear missile program, while President Donald Trump has accused China of not doing enough.

On Sunday, Susan Thornton, acting assistant secretary for the State Department Bureau of East Asian and Pacific Affairs, said in Manila that the U.S. would focus on China’s implementation to keep measures from “slipping back,” as she said they had in the past.

Elsewhere in the region, the U.S. faces other diplomatic challenges reining in Pyongyang, in part because policing sanctions is expensive.

“Very rigorously enforcing sanctions has significant costs for the enforcer, and Southeast Asian countries are not generally willing to bear those costs,” said Justin Hastings, professor of international relations at the University of Sydney.

In addition, some nations say they prefer to engage diplomatically with North Korea rather than isolate the regime as the U.S. has argued for.

A Japanese foreign ministry spokesman said Sunday that “now is not the time for dialogue but the time to increase effective pressure on North Korea, so that they will take concrete actions toward denuclearization.”

Others took a different tack. “I think it’s better that people talk,” Philippine foreign secretary Alan Peter Cayetano said Friday. “The less we talk, the more grave the situation can become.”

Several countries in Southeast Asia, such as Thailand, Malaysia and Indonesia, host North Korean embassies and some ties will be hard to unravel. Thailand was North Korea’s third-largest import partner in 2015.

Malaysia has historically close ties to North Korea and until early this year was one of only a handful of nations to allow North Koreans to travel visa-free. That relationship deteriorated in February after the half-brother of North Korean leader Kim Jong Un was killed in a Kuala Lumpur airport in an operation that South Korean officials believe was orchestrated by Pyongyang. North Korea has denied any connection with the killing.

—Jonathan Cheng in Hong Kong, Patrick McDowell in Jakarta, Eva Dou in Beijing and Min Sun Lee in Seoul contributed to this article.

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North Korea can show it’s ready for negotiations by stopping missile launches, Tillerson says (UNE)

By Carol Morello

MANILA — Secretary of State Rex Tillerson said Monday that North Korea could show it is ready for negotiations by stopping missile

launches, and said he told Russian diplomats that the Kremlin’s meddling in U.S. elections had created “serious mistrust” of them among Americans.

North Korea, meanwhile, reacted to the U.N. Security Council’s new sanctions by threatening a “thousands-fold” retaliation against the United States and asserting that sanctions would never force the

country to abandon its nuclear program. “There is no bigger mistake than the United States believing that its land is safe across the ocean,” according to the

government statement carried by the official media.

Yet in his remarks to reporters at a regional conference in which North Korea's missile and nuclear tests have dominated discussions, Tillerson held out an olive branch to Pyongyang by saying the United States will sit down for talks "when conditions are right" to discuss denuclearization and steps to ensure North Korea can feel secure and prosperous.

"The best signal that North Korea could give us that they're prepared to talk would be to stop these missile launches," he said. "We've not had any extended period of time where they have not taken some type of provocative action by launching ballistic missiles. I think that would be the first and strongest signal they could send to us, would be to stop these missile launches."

Pressed for a time frame, Tillerson said, "We'll know it when we see it."

"We're not going to give someone a specific number of days or weeks," he added. "This is not 'Give me 30 days and we're ready to talk.' It's not quite that simple. It is all about how we see their attitude in approaching a dialogue with us."

Tillerson has used the Association of Southeast Asian Nations (ASEAN) gathering here in the Philippine capital to hold meetings on the sidelines with allies and adversaries.

Following a meeting with his counterparts from Australia and Japan, the three countries issued a statement urging the international community to pressure North Korea to abandon its "threatening and provocative" actions, urging the new sanctions be strictly implemented.

Tillerson also said that when he met with Russian Foreign Minister Sergei Lavrov on Sunday, he tried to drive home the point that Russia's meddling in the 2016 presidential election had a deep and divisive effect on relations between the two countries.

He described his conversation with Lavrov as "trying to help them understand just how serious this incident had been and how seriously it had damaged the relationship between the U.S. and the American people and the Russian people — that this had created serious mistrust between our two countries and that we simply have to find some way to deal with that."

Tillerson said he also told Lavrov the United States has still not decided how to respond to Russia's move to expel hundreds of U.S. diplomats.

He said a response would come by Sept. 1.

Earlier Sunday, China delivered frank advice to North Korea, its outcast neighbor, telling Pyongyang to make a "smart decision" and stop conducting missile launches and nuclear tests.

The statement by Chinese Foreign Minister Wang Yi came on the heels of a U.N. Security Council decision to impose additional sanctions on North Korea and its exports, and it suggested that the American push to further isolate the regime of Kim Jong Un is reaping some dividends. But Wang also called on the United States to dial back the tension.

After meeting with North Korea's top diplomat at the ASEAN gathering here, Wang said that the situation on the Korean Peninsula is critical — but that it could be a turning point for negotiations over North Korea's nuclear proliferation.

"Do not violate the U.N.'s decision or provoke international society's goodwill by conducting missile launching or nuclear tests," Wang said after talks with Ri Yong Ho, North Korea's foreign minister. Wang, however, quickly added, "Of course, we would like to urge other parties like the U.S. and South Korea to stop increasing tensions."

Tillerson arrived in Manila on Saturday night in what State Department officials said would be a concerted effort to enlist other countries in the campaign to get North Korea to abandon its missile and nuclear tests. Concern has mounted that North Korea is developing its missile technology more quickly than expected, after tests last month of missiles that experts said are capable of striking the U.S. mainland, perhaps as far inland as Chicago.

"Certainly we want to resolve this issue through negotiations, and this pressure campaign, the sanctions, it's all about trying to convince the North Koreans that the fast way forward is to come back to the table and talk," said Susan Thornton, assistant secretary for East Asian and Pacific affairs.

[Trump warns of 'severe' consequences for N. Korea as Russia, China balk at tough talk]

President Trump, who is at his golf club in New Jersey, tweeted on Sunday night: "Just completed call with President Moon of South Korea. Very happy and impressed with 15-0 United Nations vote on North Korea sanctions."

In the hour-long phone call, Trump and South Korean President Moon

Jae-in agreed to cooperate and apply maximum pressure and sanctions on North Korea in a telephone call on Monday, the South's presidential office said, according to Reuters.

Moon was quoted as saying there is a need to show North Korea that the door to dialogue is still open, should Pyongyang give up its nuclear program.

In Washington, White House counselor Kellyanne Conway revealed in the vote, which took place Saturday. On ABC's "This Week," she said Sunday: "And then you also just yesterday saw a unanimous rebuke of North Korea. The greatest economic sanctions package ever levied against them, it'll cost about \$1 billion. Even allies in the region like China, Japan, South Korea, all agreeing with the United States that North Korea and its nuclear capabilities must be stopped."

But Tillerson also has pointedly stated several times that the United States does not seek regime change or a rapid reunification of the Koreas, which have been in a state of suspended hostility since an armistice was declared in 1953.

On Sunday, he declared the latest U.N. sanctions a "good outcome." That prompted South Korean Foreign Minister Kang Kyung-wha to correct him slightly. "It was a very, very good outcome," she said.

South Korean officials told reporters that Kang and Tillerson had agreed to pursue the denuclearization of the Korean Peninsula through peaceful measures.

But the diplomatic road ahead is rocky. U.S. officials rejected Beijing's call for the North to halt its nuclear program in exchange for the United States and South Korea suspending joint military exercises, which Pyongyang considers a prelude to an invasion and regime change.

"This kind of moral equivalency that's implied by the freeze for freeze, which is between the North Koreans shooting off missiles that are prohibited and our reasonably defensive exercises that we undertake in our alliance with the South Koreans to protect them from these launches, is not a reasonable kind of a trade," Thornton said.

Thornton also said the United States would be "watchful" to ensure that China did not slip from its adherence to the new sanctions, which she characterized as the strongest in a generation.

"We want to make sure China is continuing to implement fully the sanctions regime," she said. "Not this kind of episodic back and forth that we've seen."

[As concern about North Korea deepens, the U.S. and China are at odds]

The United States has unsuccessfully lobbied for the 27 members of the ASEAN Regional Forum to suspend North Korea's membership. The response has been polite but noncommittal.

U.S. officials have been adamant that there will be no direct meetings with North Koreans in Manila, even among lower-level officials.

The ASEAN conference also addressed other issues of regional concern.

Today's WorldView

What's most important from where the world meets Washington

Delegates are working to establish the framework for a code of conduct in the South China Sea that would reaffirm respect for the freedom of navigation and overflight, and outline how to arbitrate disputes. The demands that China stop expanding and reinforcing man-made islands in the sea, however, have been watered down from a year ago as more pressing demands have risen to the forefront.

[Trump thought China could get North Korea to comply. It's not that easy.]

The United States is particularly concerned about Islamist militants gaining a foothold in the Philippines after being pushed out of Syria and Iraq. In the city of Marawi in the country's south, Philippine forces are fighting militants who claim to be affiliated with the Islamic State.

Tillerson started the day on a somber note when he visited the Manila American Cemetery and Memorial, where 17,000 American and Philippine troops who fought in the Pacific during World War II are buried.

After touring the site and walking past large stone slabs inscribed with the names of more than 36,000 men and women missing in action in the theater between 1941 and 1945, Tillerson signed a visitors' book, adding after his signature, "Let us never forget — FREEDOM."

Japan Marks Hiroshima Anniversary, With North Korea on Its Mind

Jonathan Soble Jong-un.

TOKYO — Every year in early August, Japanese politicians and peace activists converge on Hiroshima to commemorate the day when the city was devastated by an American atomic bomb. In the famous peace park, the horrors of World War II are vividly recounted. Speakers of all political stripes repeat Japan's postwar mantra: "Never again."

The familiar reaffirmations of peace were there this year, too, on the 72nd anniversary, with Prime Minister Shinzo Abe on Sunday declaring that Japan, "as the only country to be irradiated in war," would "firmly advance the movement toward a world without nuclear weapons."

But there was no hiding the tensions straining Japan's postwar pacifism, as fears over the fast-advancing nuclear program in neighboring North Korea — and political disagreements over how to respond — rose jarringly to the surface.

At a news conference after the official memorial ceremony, a forum normally dominated by reflections on the past and appeals for a peaceful future, a reporter prodded Mr. Abe about the alarmingly here-and-now problem of the nuclear ambitions of the North's leader, Kim

North Korea's repeated defiance of a ban on testing missiles and nuclear bombs prompted the United Nations Security Council on Saturday to unanimously adopt a resolution imposing the most stringent sanctions yet against the country.

The reporter asked, Should Japan, whose Constitution renounces war, acquire the means to strike North Korean missile sites if an attack on Japan appeared imminent?

It is a topic that has occupied policy makers and defense experts in recent months as Pyongyang, the North's capital, has stepped up the pace of its missile tests, with pieces of its increasingly sophisticated arsenal splashing down in waters off Japan. But it seemed a remarkable subject for the anniversary in Hiroshima.

Mr. Abe's answer was hardly a comfort to Japanese pacifists.

Though he responded that his government was not planning to arm Japan to carry out any pre-emptive strikes, at least for now, he stopped well short of rejecting the idea outright.

"At the present time, we are not planning any specific deliberations about possessing" weapons for a

pre-emptive strike, Mr. Abe said. He added that Japan needed to strengthen its defenses generally, "given that the security situation surrounding Japan is becoming increasingly severe."

Although Japan has a military, the Self-Defense Forces, it has forgone certain offense-oriented weapon systems, like long-range missiles and bombers. Such weapons are seen as being incompatible with its Constitution, which was created by occupying American forces after World War II and has been interpreted as allowing Japan to fight only to fend off attacks.

Several local news outlets noted the contrast between the occasion and Mr. Abe's remarks, as did supporters of Japan's increasingly beleaguered peace movement.

"What a thoughtless thing to say in Hiroshima!" said one Twitter user, whose handle translated to "Peace is Number One."

Many experts have questioned whether pre-emptive strikes on North Korean installations would be effective, given that Pyongyang takes countermeasures like keeping its missiles mobile or hiding them deep underground.

But that has not stopped some Japanese from arguing that their

country should at least have the option to try.

As a treaty ally of the United States, Japan relies for its defense on the deterrent power of the Americans' vast arsenal, including the aircraft carriers, Tomahawk missiles and nuclear weapons that Japan does not possess. That ambivalent stance — rejecting such weapons for itself but approving their deployment by the United States — has also created political friction.

On Sunday, the mayor of Hiroshima, Kazumi Matsui, and survivors groups urged Mr. Abe to sign the Treaty on the Prohibition of Nuclear Weapons, a first-of-its-kind agreement negotiated at a United Nations conference last month.

Mr. Abe has declined to support the treaty, arguing that while eliminating nuclear weapons may be desirable, unilateral disarmament by Japanese allies would only aid North Korea and China.

"We need a realistic, step-by-step approach," Mr. Abe said Sunday, "in order to achieve a nuclear-free world."

THE WALL STREET JOURNAL

Venezuela Says It Defeated Attack by Soldiers Urging Others to Rebel

Anatoly Kurmanaev in Caracas and Tibusay Romero in Valencia

Venezuela's army said two people died Sunday in what it described as a "paramilitary" attack on an important military base by former army officers and civilians, only days after embattled President Nicolás Maduro installed an all-powerful assembly tasked with consolidating his authoritarian reign.

The army said it had regained control of the base, but added that several members of the group that conducted the raid had escaped and taken weapons with them. It said an intense manhunt was under way.

"The scoundrels have been defeated," Army chief, Gen. Jesus Suarez, said in a video. The army said it had arrested seven men linked to the attack, including a former army lieutenant who had deserted, along with civilians. The government released photos of the seven men, several of whom had their faces covered with heavy bruises.

The attack on the Paramacay base in Venezuela's third largest city of Valencia came only hours after a group of men clad in military gear and carrying weapons released a video claiming they were inside the base and calling for a rebellion against Mr. Maduro's government.

"We don't recognize the tyranny of assassin Nicolás Maduro," Capt. Juan Caguaripano, a National Guard captain who deserted in 2014, said in the video. He said the call for an uprising wasn't an attempted coup, but a defense of the country's democracy.

The attack capped a tumultuous week in the oil-rich country that is suffering through a deepening political and economic crisis, including street protests that have claimed more than 120 lives.

On Friday, the government swore in the Constituent Assembly dominated by Mr. Maduro's Socialist allies, and on Saturday, the assembly removed Attorney General Luisa Ortega, a dissident official who opposed Mr. Maduro's plans to overhaul the constitution.

Hours after the attack in Valencia, a Twitter account in the name of Capt. Caguaripano began issuing messages. It claimed the raid had been a success and made off with a large amount of military weaponry from the base, as well as material from three other army outposts. The authenticity of the account couldn't be verified. The Paramacay artillery base is home to Venezuela's 41st armored brigade.

At least one of the group that attacked the base was killed, as well as an opposition activist, according to the military and local doctors. Ramon Vivas, a 51-year-old regional head of the Progressive Advance opposition party, was shot dead while demonstrating near the base as a show of support to rebels on the inside, the party said.

Clashes in Valencia continued through Sunday afternoon, as National Guards fired tear gas and rubber bullets to disperse opposition supporters.

The government described the incident as a "terrorist" attack and said the army fully backed the government. "There's absolute

normality at the rest of the country's military units," Diosdado Cabello, a close ally of Mr. Maduro and vice president of the ruling socialist party, wrote on his Twitter account Sunday morning.

The nation, however, has seen several days of fast-moving, disruptive events. On Saturday, soldiers in riot gear had cordoned off the entry to the office of the attorney general, Ms. Ortega, and she fled the scene on the back of a motorbike. She was replaced by a close ally of the president.

"This is a regime that has already crossed all the red lines, all of them," said José Miguel Vivanco, director of the Americas division at Human Rights Watch. "This is a civic-military dictatorship with more than 600 political prisoners. It's reminiscent of South America's military dictatorships of the 70s."

The series of events have made ordinary Venezuela more weary than ever even as the country's crisis drags on. The country's Bolivar currency fell some 50% last week alone on the black market amid worries the government's

outright authoritarianism will snuff out any hope for a transition or economic recovery.

The attack Sunday could signal growing desperation among some of Mr. Maduro's opponents. In June, a rebel police commando seized a helicopter and threw grenades at the country's Supreme Court. No one was injured.

It also shows, however, that any large scale uprising will be difficult. Former president Hugo Chávez, who himself launched an unsuccessful coup in 1992, purged the army of any dissidents many times and worked to ensure ideological loyalty from senior leadership. Cuba's formidable security services have also had a big presence in Venezuela for years.

Many high-ranking officers are linked to corruption and the drugs trade, making them loyal to the

government for fear of ending up in jail, said Harold Trinkunas, a Venezuelan army expert at Stanford University.

"You should expect to see smaller uprisings instead of major conspiracies in Venezuela," said Mr. Trinkunas. "It's difficult to coordinate, the military is watched closely, there is a lot of fear of being denounced if you say anything against the government."

Even if the government is successful at stanching dissent in the armed forces, it still confronts challenges on all fronts, particularly an economic crisis marked by the world's highest inflation, a steep recession and widespread shortages. Those challenges are likely to deepen unless oil prices make a significant recovery, a prospect most economists see as doubtful.

**The
New York
Times**

Military Base Attacked in Venezuela as Video Calls for Rebellion

Nicholas Casey

BOGOTÁ,

Colombia — Armed men in military uniforms and camouflage released a video early Sunday morning calling for Venezuelans to rebel against President Nicolás Maduro after his party established an all-powerful assembly meant to secure its grip over the country.

Around the same time, a military base was attacked in the state of Carabobo, near the capital, Caracas, an assault that the government said it had repelled, but not before some of the assailants made off with weapons.

"We declare ourselves in legitimate rebellion, united more than ever with the valiant state of Venezuela, to disavow the murderous tyranny of Nicolás Maduro," a military man in the video said, standing in front of about 20 men.

The Video From a Group of Militants in Venezuela Video by Noticias En Tweets

The local news media reported that the spokesman was Capt. Juan Carlos Caguaripano, a dissident National Guard officer wanted by the government since 2014.

On July 30, Mr. Maduro held a contentious election to secure control over the country by establishing a new governing body, called the constituent assembly. In the vote, Venezuelans were asked to choose delegates from a list of party allies who would rewrite the Constitution and rule the nation while they did so. Voters were not

given the option of rejecting the plan, and opposition parties boycotted the vote.

On Sunday, the local news media reported that explosions were heard at the Paramacay military base in the state of Carabobo, an apparent attack by dissident security forces. The government released a video shortly after the attack showing the base appearing to be in its control as lines of soldiers stood at attention. "We were the target of a terrorist, paramilitary, mercenary attack against peace," said Maj. Gen. Jesús Suárez Chourio, a military commander who was at the base. "But they found us as a single fist, like an oak tree, united for peace."

Mr. Maduro appeared on television to offer his account of the attack, saying the ambush began around 3:50 a.m. when a group of "20 mercenaries" entered the base, heading straight for the base's weapons caches.

About half the group soon fled, but the remaining 10 fought with soldiers for three hours on the base before they were subdued, the president said. Two were killed and one was wounded. Only one of the men belonged to the military; the rest were civilians, the president said. "This was an act of total desperation," Mr. Maduro said.

Defense Minister Vladimir Padrino López said in a statement that some of the attackers had made away with weapons. He added that the military maintained its "unconditional support" of Mr. Maduro.

The government printed even more money in the run up to the constituent assembly vote last Sunday, adding to the inflationary spiral, said Francisco Rodríguez, a prominent Venezuelan economist at Torino Capital in New York. Inflation, estimated by Mr. Rodríguez at 700% this year, could reach as much as 10,000% next year if the money printing continues at this pace, he said.

"If you think things couldn't get worse in Venezuela, just think of the same recession with hyperinflation," he said.

Adding to the challenges, the U.S. is considering slapping Venezuela with potentially devastating sanctions on its vital oil industry.

Venezuela also faces opposition in its own region. Foreign relations ministers from about a dozen Latin American nations, including

Argentina, Brazil and Mexico, are planning to meet in Peru on Tuesday to discuss Venezuela's crisis and how the region can respond. The meeting follows Venezuela's suspension from the Mercosur trade bloc for failing to follow democratic norms, as some Latin American leaders call Venezuela a dictatorship.

—Jose de Cordoba in Mexico City contributed to this article.

Write to Anatoly Kurmanaev at Anatoly.kurmanaev@wsj.com

Appeared in the August 7, 2017, print edition as 'Venezuela Says It Put Down a Rebellion.'

another round of protests against the president, the military issued an arrest warrant against him and around 30 other soldiers and police officers for an alleged plot to overthrow Mr. Maduro. In a video that year, Captain Caguaripano said the "armed forces cannot be and are not indifferent" to "a Castro-Communist system that now functions as the government of this country."

It was unclear what the public reaction would be to the attack. Videos on social media showed small crowds in Carabobo waving Venezuelan flags and banging pots and pans in support of the rebel security forces.

The idea of military intervention to solve the Venezuelan political crisis has been floated nationally. On July 16, opposition parties held a protest vote against the constituent assembly, two weeks before Mr. Maduro's planned election, an unofficial poll they said drew more than seven million people. Among the questions was a vaguely worded one asking whether Venezuela's military should "defend" the current Constitution and "back the decisions" of the National Assembly, what some interpreted as taking the temperature for support for military intervention. The survey passed by a wide margin.

It was not the first time this summer that the government had faced rebellious officers. On June 27, a rogue faction of the Venezuelan police attacked the country's Supreme Court and the Interior Ministry. The group released a video in which an officer named Oscar Pérez urged Venezuelans to "fight for their legitimate rights."

No one was injured in that attack, but it made Mr. Pérez, who is also a part-time actor, a kind of folk hero among some of Mr. Maduro's opponents. He has even appeared at an opposition rally.

The video on Sunday used a similar format to that of Mr. Pérez's, a single spokesman standing in front of a group of silent men. The man identified as Captain Caguaripano said his men were not looking to stage a military coup, but rather a "civic and military action to re-establish constitutional order," which would seek a "transitional government and free general elections."

"The time has passed for secret pacts and deals between tyrants and traitors," the man said.

He urged security forces to "display banners alluding to 350," an apparent reference to Article 350 of the Venezuelan Constitution, which encourages people to "disown any regime, legislation or authority that runs counter to democratic principles." Mr. Pérez also flew a similar banner from his helicopter on the day of his attack.

Captain Caguaripano has called for rebellion before. In 2014, during

THE WALL O'Grady : The Guns of Venezuela

**STREET
JOURNAL**

le de presse américaine du 7 août 2017

Mary Anastasia O'Grady

In a video posted on the internet Sunday morning, former Venezuelan National Guard captain Juan Caguaripano, along with some 20 others, announced an uprising against the government of Nicolás Maduro to restore constitutional order. The rebels reportedly appropriated some 120 rifles, ammunition and grenades from the armory at Fort Paramacay in Valencia, the capital of Carabobo state. There were unconfirmed claims of similar raids at several other military installations including in Tachirá.

The Cuba-controlled military regime put tanks in the streets and unleashed a hunt for the fleeing soldiers. It claims it put down the rebellion and it instructed all television to broadcast only news of calm. But Venezuelans were stirred by the rebels' message. There were reports of civilians gathering in the streets to sing the national anthem in support of the uprising.

Note to Secretary of State Rex Tillerson: Venezuelans want to throw off the yoke of Cuban repression. They need your help.

Unfortunately Mr. Tillerson so far seems to be taking the bad advice of his State Department "experts."

The same bureaucrats, it should be noted, ran Barack Obama's Latin America policy.

**THE WALL
STREET
JOURNAL.**

Uganda—Rwanda's strongman leader Paul Kagame won a landslide victory in Friday's presidential election with almost 99% of the vote, extending his 17-year rule until at least 2024 after a campaign that seemed more like a coronation than a contest.

With total votes tallied, Mr. Kagame secured some 6.65 million votes, the vast majority of total votes cast, the National Electoral Commission said Saturday.

The victory—by a margin that more closely resembles those chalked up in dictatorships than democracies—hands the 59-year-old Mr. Kagame what he has indicated will be his final term in office. But according to Rwanda's constitution, he is free to seek two further five-year terms, meaning he could retain his position until 2034.

Mr. Kagame delivered a victory speech to cheering supporters at the ruling Rwandan Patriotic Front's headquarters in the capital, Kigali, on Saturday morning. He pledged to "continue transforming

Those years gave us a rapprochement with Havana that culminated with the 44th president doing "the wave" with Raúl Castro at a baseball game in 2016. Team Obama also pushed for Colombia's surrender to the drug-trafficking terrorist group FARC in a so-called peace deal last year. And it supported "dialogue" last year to restore free, fair and transparent elections in Venezuela. The result, in every case, was disaster.

Any U.S.-led international strategy to liberate Venezuela must begin with the explicit recognition that Cuba is calling the shots in Caracas, and that Havana's control of the oil nation is part of its wider regional strategy.

Slapping Mr. Maduro's wrist with sanctions, as the Trump administration did last week, won't change Castro's behavior. He cares only about his cut-rate Venezuelan oil and his take of profits from drug trafficking. To affect things in Venezuela, the U.S. has to press Cuba.

Burning Cuban flags, when they can be had, is now practically a national pastime in Venezuela because Venezuelans understand the link between their suffering and Havana. The Castro infiltration began over a decade ago when Fidel sent thousands of Cuban agents, designated as teachers and medical personnel, to spread propaganda

and establish communist cells in the barrios.

As I noted in this column last week, since 2005 Cuba has controlled Venezuela's citizen-identification and passport offices, keeping files on every "enemy" of the state—a k a political opponents. The Venezuelan military and National Guard answer to Cuban generals. The Venezuelan armed forces are part of a giant drug-trafficking operation working with the FARC, which is the hemisphere's largest cartel and also has longstanding ties to Cuba.

These are the tactical realities of the Cuba-Venezuela-Colombia nexus. The broader strategic threat to U.S. interests, including Cuba's cozy relationship with Middle East terrorists, cannot be ignored.

Elisabeth Burgos is the Venezuelan ex-wife of the French Marxist Regis Debray. She was born in Valencia, joined the Castro cause as a young woman, and worked for its ideals on the South American continent.

Ms. Burgos eventually broke free of the intellectual bonds of communism and has lived in Paris for many years. In a recent telephone interview—posted on the Venezuelan website Prodavinci—she warned of the risks of the "Cuban project" for the region. "Wherever the Cubans have been, everything ends in tragedy," she told Venezuelan journalist Hugo Prieto.

"Surely we have no idea what forces we face," Mr. Prieto observed—reflecting as a Venezuelan on the words of Ms. Burgos—because, as she said, there is "a lot of naiveté, a lot of ignorance, about the apparatus that has fallen on [Venezuelans]: Castroism."

Cuban control of citizens is as important as control of the military. In Cuba this is the job of the Interior Ministry. For that level of control in Venezuela, Ms. Burgos said, Mr. Maduro must rely on an "elite of exceptional experts" Castro grooms at home.

Cuba, Ms. Burgos said, is not "simply a dictatorship." For the regime it is a "historical political project" aiming for "the establishment of a Cuban-type regime throughout Latin America." She noted that along with Venezuela the Cubans have taken Nicaragua, Bolivia, Ecuador, and are now going after Colombia. "The FARC, turned into a political party and with all the money of [the narcotics business], in an election can buy all the votes that it wants."

Mr. Tillerson is forewarned. Castro won't stop until someone stops him. To get results, any U.S.-led sanctions have to hit the resources that Havana relies on to maintain the repression.

Rwanda's Kagame Sweeps Presidential Election With 99% of the Vote

Nicholas Bariyo

KAMPALA,

Rwanda to guarantee a dignified life for every citizen," and thanked the Rwandan people "for putting trust in me once again."

The European Union, which often sends representatives to monitor African elections, had no presence during Friday's polls, but the East African Community said the vote was free, fair and without irregularities.

Mr. Kagame—a former rebel leader who is now more commonly seen at international business events—is credited with engineering Rwanda's economic transformation from the ruins of the 1994 genocide to one of the star economic performers on the continent. But critics and rights groups accuse his government of using state power to intimidate, jail and eliminate opponents through assassinations—allegations that the government rejects.

Mr. Kagame's victory cements his position at the leading edge of a growing trend of self-styled strongman technocrats across the continent. From Ethiopia to Tanzania and Ivory Coast, leaders are increasingly consolidating

control to spur radical economic transformation.

"The development strategy is identical to that of the late Lee Kuan Yew of Singapore," said Efosa Ojomo, a research fellow at the U.S.-based Clayton Christensen Institute for Disruptive Innovation, referencing the former prime minister who transformed the tiny Asian economy into a global hub but drew criticism from humanitarian groups.

"In essence, these leaders feel that for an economy to develop quickly, some sacrifices with respect to human rights might have to be made."

Mr. Kagame, who has won with more than 90% of the vote in each Rwandan election since 2003, stood against the relatively unknown Frank Habineza of the opposition Democratic Green Party of Rwanda, and independent candidate Philippe Mpayimana. Mr. Kagame told a rally last month that the results of the election were "already clear," and that voting would be a mere "formality."

More than 90% of Rwanda's 6.8 million registered voters participated in the election, according to election officials.

But amid mounting criticism of Mr. Kagame's suppression of dissent, analysts expect international donors to pay more attention to allegations of rights abuses.

"Repression is getting a lot of attention at the moment, but in the recent past, under Kagame, Rwanda has been even more restrictive," said Benedict Craven, an analyst at the Economist Intelligence Unit. "Evidently that hasn't dented popular perceptions of Kagame, this popularity is built on his impressive record at reducing poverty and cementing stability."

Mr. Kagame campaigned on a platform of building new infrastructure, and boosting agricultural productivity, mining and tourism. He has also promised to pave 2,500 miles of roads. But economists warn that Rwanda's economy is slowing, which may hamper the ruling party's development agenda.

Rwanda's gross domestic product grew at 1.7% in the first quarter of 2017, the lowest quarterly real growth rate in nearly a decade, according to the country's statistics office.

**The
New York
Times**

Rwanda President's Lopsided Re-election Is Seen as a Sign of Oppression

Zack Baddorf

KIGALI, Rwanda — The re-election of Paul Kagame, Rwanda's longtime president, had never been in question. But opponents and rights advocates say his nearly 99 percent margin of victory reflects what they call an oppressive political environment that stifles dissent in the central African nation.

The lopsidedness of the result of the Friday vote giving Mr. Kagame a third seven-year term, announced on Saturday, was no surprise to supporters. They called it an accurate barometer of his enormous popularity in transforming Rwanda from the post-genocide depths into a beacon of African prosperity and stability.

"People trust him. If it were not democratic, he could even score 100 percent," said Wellers Gasamagera, the spokesman for Mr. Kagame's Rwandan Patriotic Front political party. "There is nothing strange as to the high score in terms of votes."

Still, the results also punctuated the glaring absence of a viable opposition in Rwanda. Dissenting views are frequently silenced.

One of Mr. Kagame's opponents in the election had expected to do far better or even win. Frank Habineza, founder of the Democratic Green Party of Rwanda, said before the vote that he had anticipated receiving 65 percent of the total. He got less than one half of 1 percent.

Mr. Habineza, a former journalist, said in an interview on Saturday that the results were "indeed not pleasing as we had expected."

The portents of defeat seemed clear at one of Mr. Habineza's last campaign rallies. Held on a roadside in the outskirts of Kigali, the capital, only 500 people showed up. Chickens darted around while half the crowd stood across the street, listening from a distance.

By contrast, at the president's final campaign rally on Wednesday on a hilltop near Kigali, more than 200,000 people sang, danced and cheered while waving the party flag.

"Kagame really changed the lives of the people, so we have to vote for him," said Chaste Uwihoreye, 39, a clinical psychologist who lost both parents in the 1994 genocide that left 800,000 Tutsis dead.

He credited Mr. Kagame, who led rebel forces to stop the massacre, with uniting and reconciling Rwandans while expanding the country's economy.

Mr. Habineza acknowledged that some people in Rwanda fear criticizing the government. In 2010, his party's vice president was found beheaded weeks before the elections. Other opposition parties have faced violence and harassment.

Still, he said, "No one will ever intimidate me."

More than 6.6 million Rwandans cast ballots for Mr. Kagame, according to the official tally. Just over 80,000 voted for the opposition. The government said turnout totaled 96 percent.

Mr. Kagame's victory has raised concerns that Africa's "forever presidents" club will gain a new member and embolden other leaders in the region who wish to cling to power. Such comparisons have been rejected by Mr. Kagame's backers.

The postelection mood was somber for the new People Salvation Movement, which says that it has been systemically persecuted by Mr. Kagame's loyalists. Fifteen of its members met inside a gated house, curtains drawn and doors shut, to discuss future strategy.

Diane Rwigara, 35, an accountant who leads the group and was once considered a strong contender against Mr. Kagame, said she was

fighting against fear. "People get mistreated by the government, by people of power, and they choose to keep quiet," she said.

Ms. Rwigara said she had submitted almost double the required signatures to qualify as a presidential candidate, but was rejected by the electoral commission in July. She said the influence of Mr. Kagame's party over the commission meant it had "no capacity to organize free and fair elections."

The consequences of her intention to challenge Mr. Kagame came quickly.

Fake nude photos of Ms. Rwigara circulated on the internet. The Rwandan tax agency demanded \$6.6 million from her family's tobacco business for taxes, penalties, fees and interest. Her family's bank accounts have been frozen and businesses shuttered, surrounded by state security forces.

"It's because I spoke out," she said. "They don't just kill you physically. They kill you financially, too."

Plainclothes government security forces seized the co-founder of her movement on Dec. 26 after he had given an interview in a local newspaper, Ms. Rwigara said, and "nobody knows" where he is.

At a rural polling station about an hour outside Kigali, Charles Ndamage, who voted for Mr. Habineza, said his neighbors had threatened him for supporting an opposition candidate.

"In the village, you can be treated as an enemy of the country," Mr. Ndamage said.

Ida Sawyer, the central Africa director at Human Rights Watch, said that under Mr. Kagame, independent news media have been silenced and rights organizations are almost nonexistent "after years of intimidation and interference."

Boniface Twagirimana, the vice president of the United Democratic Forces of Rwanda, said his party had been forced to operate illegally after the government rejected its repeated registration applications.

Mr. Twagirimana claims plainclothes intelligence operatives tried to kidnap and strangle him in Kigali more than two years ago.

"We can even die. Every day we wait for those people who finish us anytime," he said.

In March 2016, a member of Mr. Twagirimana's party disappeared, according to Amnesty International, and last May, a party representative's body was found mutilated. The party's chairman is serving a 15-year prison sentence on charges of terrorism and threatening national security, after running for president in 2010.

The outcome of political repression in Rwanda, Mr. Twagirimana said, is that Mr. Kagame "is competing against himself."

Mr. Gasamagera, the spokesman for Mr. Kagame's party, rejected such criticism as unwarranted. He said Rwanda had a "free and open environment for freedom of expression."

Nine of the 11 registered political parties in Rwanda endorsed Mr. Kagame in his presidential run. A 2015 constitutional referendum approved by 98 percent of voters allows Mr. Kagame to potentially remain in power until 2034.

At Rwanda's electoral commission headquarters in downtown Kigali, the commission's executive secretary, Charles Munyaneza, said he had been "very satisfied" with the voting process.



For US, Russia, challenge of deep chill is to keep cool and take small steps

August 4, 2017 —President Trump came into office hoping to launch a warming in US-Russia relations. Instead, over the last six months, things have gone from cool to icy cold.

If in January Secretary of State Rex Tillerson stated that the United States and Russia "are not likely ever to be friends," Congress this month approved veto-proof sanctions legislation that baldly labels Russia America's "adversary."

Relations, Mr. Trump says, have deteriorated to where they are now "dangerous."

It's at this rock-bottom point in relations that Mr. Tillerson will meet with his Russian counterpart,

Sergey Lavrov, in Manila this weekend to gauge the prospects of maintaining some level of cooperation in areas of mutual interest. They include Syria, counterterrorism, avoiding a military

confrontation in the Baltic Sea, and space.

But even though the two chief diplomats will meet in tropical Manila, heavy coats may be in order to ward off the chill of the deep freeze relations are in – and likely to stay in indefinitely, analysts of US-Russia relations say.

“We are looking at a serious rift in US-Russia relations [where] we have gone back to a tit-for-tat mode of bilateral interaction where each side feels compelled to retaliate for perceived or actual attacks from the other,” says Matthew Rojansky, director of the Wilson Center’s Kennan Institute for US-Russia studies in Washington.

Nevertheless, there is precedent for fruitful engagement between Washington and Moscow on bilateral and multilateral matters even in times of such stress, say some analysts, pointing to the cold war era that at times in recent months has seemed not so distant.

Late last month Russian President Vladimir Putin ordered a steep reduction in US Embassy staff in Moscow and the seizure of two small US diplomatic properties shortly after Congress approved the new US economic sanctions bill. The measures, which Trump reluctantly signed into law Wednesday, aim to punish Russia for its belligerent actions against US allies and partners in Central and Eastern Europe, and for what US intelligence agencies assert was Russian interference in last year’s presidential election.

“It’s a mess,” Mr. Rojansky adds, “and the president is right to say that it is dangerous – the risk of further escalation, even direct military confrontation, is more acute than it has been in a long time.”

Perhaps snuffed out for good, others say, is the aspiration of anchoring Russia in the community of Western nations promoting values and global economic norms constructed by the US-led international community.

Areas of possible cooperation

In this environment, the two countries are

likely to revert to where relations were during the cold war, when cooperation was limited to a few areas of interest to both sides, such as arms control, some experts say.

“The focus now will have to be on how to prevent an adversarial relationship from turning into an outright confrontation,” says Nikolas Gvosdev, a professor of national security studies specializing in Russia at the US Naval War College in Newport, R.I. “And to do that, we’ll have to return to some cold war models to figure out how adversarial countries can still work together where they have common interests.”

US officials will have to dust off the “skill sets” that diplomats honed in the 1980s for dealing with what was then the Soviet Union, Dr. Gvosdev says. “It’s a mindset that accepts that outcomes aren’t going to be optimal, so you begin to disaggregate problems into much smaller steps.”

Areas of potential cooperation are likely to be reduced to a very few, perhaps only Syria and space, Gvosdev says. Both countries have an interest in avoiding confrontation in Syria and in maintaining the different cease-fires that are more or less holding there, he says, while both countries also benefit from the cooperative relationship developed around the International Space Station and other space exploits.

Going a bit farther, Mr. Rojansky says there are areas where the two will “have to cooperate” – for example with “military to military dialogue” to “limit the possibility of unintended escalation of conventional or even nuclear conflict” – and then areas “where we might make progress if our interests align.” Those could potentially include counterterrorism and reining in North Korea, he says.

But others caution that with the US and Russia locked in adversarial stances toward each other – and focused when they are communicating on avoiding unintended confrontations – the space for cooperation on other issues is likely to remain limited.

“Lavrov is going to arrive at this meeting [with Tillerson] with a very long laundry list of Russia’s complaints about [US] actions, and they’ll spend some time going through the list,” says Paul Stronski, a Russia expert at the Carnegie Endowment for International Peace in Washington. “Once that’s over I’m sure they’ll talk about the Middle East and North Korea, but there aren’t going to be any breakthroughs.”

US public is cool, too

With the two countries’ top diplomats limited to going over grievances, Dr. Stronski adds, “the relationship will continue to play along, but without much chance of getting better any time soon.”

Indeed any progress Tillerson and Lavrov are able to eke out is likely to be set back by looming bumps in the path ahead.

The Pentagon is expected to announce in the coming weeks its recommendations on providing heavy weaponry to Ukraine. “That’s the next crisis,” Gvosdev says. He adds that the campaign leading up to Russia’s presidential election next March is likely to stoke anti-American sentiments that will further dampen the prospects for a bilateral defrost.

Not that the US public is exactly clamoring for a US-Russia repair operation – on the contrary. In a new survey by the Chicago Council on Global Affairs, nearly 8 of 10 Americans polled said they support either maintaining or increasing sanctions against Russia.

Moreover, the council president, Ivo Daalder, a former US ambassador to NATO, notes that a majority of Americans – 53 percent – now think the US should work to limit Russia’s international influence, as opposed to 43 percent who favor bilateral cooperation.

That’s a reversal from last year’s survey, Mr. Daalder underlines, when 58 percent favored cooperation and 39 percent wanted the US to work to contain Russia.

All of these different forces are likely to accelerate the rift that has been

building between the US and Russia, and more broadly between the West and Russia, since the rise of Mr. Putin and the collision between his revanchist vision of a reconstituted greater Russia and NATO’s eastward expansion.

‘World without the West’

The coming year is likely to bear witness to redoubled Russian efforts to not just prosper under US financial sanctions, Gvosdev says, but to build an alternative to the US-based international system that has put it in a straitjacket.

“The Russians are going to test their ability to route around the United States,” Gvosdev says. That will start with an effort to raise capital in international markets that do not touch US financial institutions. But the end goal will be fashioning “a world without the West,” he adds.

That effort, broadly supported by the Chinese, will further buttress the alignment of the world’s two major non-Western powers, says Stronski, who served as director for Russia and Central Asia in President Barack Obama’s National Security Council.

“There are a lot of things bringing the Russians and Chinese together, but underneath it all is this common desire to challenge the global order that was constructed by the West under US leadership,” he says, “and designed to make the West and Western values prosper.”

Yet while both powers may be envisioning a global alternative to the West, Stronski says it is Putin’s Russia that is being the most aggressive about it – and it’s that aggressive challenging that he says will put off any improvement in US-Russia relations.

And if the recent past is any indication, he adds, the downward spiral may not be over. “When I was at the White House,” Stronski says, “I was always saying that right when I didn’t think things could get worse between us, they always did.”



Rosenstein: Special counsel Mueller can investigate any crimes he uncovers in Russia probe

<https://www.facebook.com/kelsey.snell.3>

Deputy Attorney General Rod J. Rosenstein said Sunday that the expanding investigation into Russian interference in the 2016 presidential election is continuing apace, even

as President Trump dismissed the probe as “a total fabrication.”

Rosenstein said special counsel Robert S. Mueller III can investigate any crimes that he might discover within the scope of his probe, but the deputy attorney general would not discuss which individuals are the subject of their inquiry. The interview

comes days after Trump said he believes it would be inappropriate for Mueller to dig into Trump family finances.

“The special counsel is subject to the rules and regulations of the Department of Justice, and we don’t engage in fishing expeditions,” Rosenstein said when asked about

the probe in an interview on “Fox News Sunday.”

Rosenstein declined to comment on reports that Mueller is using a grand jury in a court in Washington to aid in his investigation but he said that such a step is a routine part of “many investigations.”

"It's an appropriate way to gather documents, sometimes to bring witnesses in, to make sure that you get their full testimony," Rosenstein said. "It's just a tool that we use like any other tool in the course of our investigations."

Trump administration officials and senators from both parties on Aug. 6 commented on proposals in the Senate to limit President Trump's ability to fire special counsel Robert S. Mueller III. Administration officials and senators comment on proposals in the Senate to limit President Trump's ability to fire special counsel Robert S. Mueller III. (Video: Bastien Inzaurrede/Photo: Jabin Botsford/The Washington Post)

(Bastien Inzaurrede/The Washington Post)

Trump and his inner circle have repeatedly dismissed the investigation amid frequent reports that Mueller and his team are digging into broader details on the financial dealings of members of Trump's campaign team. Senior White House counselor Kellyanne Conway called the probe a "fabrication" in an interview on ABC's "This Week." Trump called it "the totally made-up Russia story" in a campaign-style speech he delivered Thursday in West Virginia.

The attacks have raised concerns among Democrats and some Republicans that Trump may be looking for ways to undermine the investigation. Those fears led Sens. Thom Tillis (R-N.C.) and Christopher A. Coons (D-Del.) to propose legislation that would give a judge the ability to review any decision by the president to fire Muller.

Tillis said Sunday that he does not agree that the investigation is a witch hunt and said the bill is intended to bolster the independence of the Justice Department.

"We'll let the facts lead us to whether or not it was a hoax or a distraction," Tillis said during a "This Week" interview. "But we are where we are, and I want to see this investigation concluded so that we can get on to doing the good work the president has already started with regulatory reform, health care and tax reform."

Rep. Adam B. Schiff (Calif.), the ranking Democrat on the House Intelligence Committee, called Mueller's impaneling of a D.C. grand jury "a significant development," noting that it has been more than a year since former FBI director James B. Comey launched a counterintelligence investigation into Russia's meddling in the 2016 election.

"That means one year later, rather than turning that investigation off, rather than concluding 'We've looked at this for a year; there's really nothing to see here,' as the president would claim, instead ... it's moving into a new phase," Schiff said during an appearance on CNN's "State of the Union." "That wouldn't be taking place if there was really no evidence, no evidentiary basis to move forward."

He said an additional reason to continue investigating was the disclosure of the June 2016 meeting of Donald Trump Jr., campaign officials and a Russian lawyer, which was set up with the advertised purpose of sharing damaging information on Democratic presidential nominee Hillary Clinton.

The Washington Post's Carol Leonnig explains how President Trump and his lawyers are attempting to deflect special counsel Robert Mueller's investigation. The Washington Post's Carol Leonnig explains how President Trump and his lawyers are attempting to deflect special counsel Robert Mueller's investigation. (Victoria Walker, Peter Stevenson, Ashleigh Joplin/The Washington Post)

(Victoria Walker, Peter Stevenson, Ashleigh Joplin/The Washington Post)

"And now you add on the layer of the president, if these allegations are true, helping to fabricate a false statement about what that meeting was about," Schiff said, referring to the White House's acknowledgment that Trump weighed in on an initial statement issued by Trump Jr. about the meeting that did not mention its pretext.

Schiff also said the House Intelligence Committee and Mueller are looking at some of the same issues related to former national security adviser Michael Flynn, including payments Flynn allegedly received from Turkey during the final months of the presidential campaign and from RT, a Russian government-backed television network.

"If General Flynn was shown to have violated the law in other ways, it would be an incentive for him to cooperate more broadly with the Mueller investigation," Schiff said.

During an appearance on the same CNN program, New Jersey Gov. Chris Christie (R), an ally of the Trump administration, downplayed the significance of a D.C. grand jury being impaneled by Mueller.

"That's a typical thing to be done in any investigation," said Christie, a former federal prosecutor.

Asked about Trump's concerns that Mueller's probe could expand into financial dealings of Trump unrelated to Russia, Christie said that some sometimes special counsels feel "the need to produce something in return for their appointment."

But he called Mueller "a good man" and said he trusts he will not go on a "fishing expedition."

Christie also called Trump Jr.'s meeting with the Russian lawyer "ill-

advised." The meeting was also attended by Jared Kushner, the president's son-in-law and now senior adviser, and Paul Manafort, then Trump's campaign chairman.

"This is not something that should have happened," Christie said. "Everybody in retrospect knows that this is a bad idea."

But Christie said it remains unclear whether Trump was aware of the email to Trump Jr. ahead of the meeting that said it would be related to Russian information on Clinton.

"We don't know that the president knew about those emails or about the content of those emails," Christie said. "And so we don't know what his own son told him about that meeting."

The Energy 202 newsletter

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On ABC, Conway said Trump "had no knowledge of that meeting."

"I was never informed of that meeting," she said. "I found out about it when you found out about it, when the rest of the public did."

Conway also referenced Kushner's contention that he left the meeting a few minutes in when it became clear the Russian lawyer wanted to talk about adoption policy. Kushner has said he had an aide pull him out.

"If you're getting dirt on your political opponent, if you're getting the silver bullet and the secret sauce on how to win the election, you don't ask your aide to pull you out of the meeting," Conway said. "You say please order lunch. Let's just stay."

The Washington Post

Editorial : Trump promised a trade war. Here's what he's doing instead.

THE TRANSCRIPT of President Trump's Jan. 27 phone conversation with President Enrique Peña Nieto of Mexico made fascinating reading — especially in light of what has actually happened among the United States, Mexico and their North American free-trade partner, Canada, since the call. It's not a good-news story, but it is a could-have-been-worse story. Instead of slapping tariffs on Mexican goods, as he threatened during both the 2016 campaign and the chat with Mr. Peña Nieto, Mr. Trump agreed to talks, the goal of which is to

update the North American Free Trade Agreement, not scrap it, as he has also threatened from time to time. What's more, the parties have set an expedited negotiation schedule, with the first meeting slated for Aug. 16 in Washington.

The specific negotiating objectives the Trump administration set forth in a July 17 report to Congress were in many respects necessary and proper. NAFTA is basically working as designed, but any quarter-century-old trade pact could use modification to account for new realities. It's reasonable, for example, to seek new

understanding on digital trade in goods and services and on cross-border data flows, as the Trump objectives propose. Veterans of negotiations over the Trans-Pacific Partnership, which Mr. Trump reviled, noted similarities between the approach sketched in the July 17 paper and what had been accomplished in the TPP talks. But if hypocrisy, or reinventing the wheel, is the worst sin Mr. Trump commits on trade, the world will breathe a sigh of relief.

Alas, the administration also specified that the trade deficit with Mexico and the (smaller) one with

Canada be reduced as a result of the talks, which isn't possible and wouldn't necessarily be desirable even if it were. Possibly even more counterproductive, Mr. Trump's goals include the elimination of the so-called Chapter 19 dispute-resolution mechanism, which creates a special NAFTA-based forum to challenge a member country's claims that another is selling exports below cost ("dumping"). This check against potentially protectionist litigation brought by U.S. industries in U.S. forums was Canada's precondition for joining the U.S.-Canada free-trade agreement, upon which

NAFTA was built; and it's one reason that exports from Canada and Mexico are far less likely than those of other nations to face penalties in the United States.

Politics newsletter

**The
New York
Times**

Diplomats Question Tactics of Tillerson, the Executive Turned Secretary of State (UNE)

Gardiner Harris

WASHINGTON — Several times a week the State Department sends a greeting to a foreign country on the occasion of its national day. By tradition, the salutations have been written by low-level diplomats and routinely approved by their superiors.

But not anymore.

Now the messages go through Secretary of State Rex W. Tillerson's office, where his top assistants insist on vetting them, and where they often sit for weeks before coming back with extensive editing changes, according to several department officials. To these officials, it is a classic case of micromanagement — and emblematic of the way Mr. Tillerson has approached running the State Department.

Introduced by President Trump as a "world-class player" when he nominated him, Mr. Tillerson had never worked in government. But as the chief executive of Exxon Mobil, he brought to the State Department the kind of managerial experience shared by predecessors like George P. Shultz, who had been president of Bechtel, the giant engineering company, and George Marshall, a five-star Army general once described by Winston Churchill as "the organizer of victory" in World War II.

Even skeptics of Mr. Tillerson's foreign policy credentials thought the State Department, an agency of 75,000 employees, could use some of the management skills he had picked up as the head of a major corporation. Mr. Tillerson was supposed to know that leaders of large organizations should quickly pick a trusted team, focus on big issues, delegate small ones and ask for help from staff members when needed.

He has done none of those things, his critics contend.

Instead, he has failed to nominate anyone to most of the department's 38 highest-ranking jobs, leaving many critical departments without

The big stories and commentary shaping the day.

Eliminating Chapter 19 probably would be a dealbreaker for Canada. And why would Mr. Trump seek its elimination? After all, as he said in that call with Mr. Peña Nieto, "Canada is no problem . . . we have had a very fair relationship with

direction, while working with a few personal aides reviewing many of the ways the department has operated for decades rather than developing a coherent foreign policy.

"The secretary of state has to focus on the president, his policies and the other heads of government that he deals with, which means he cannot possibly run the department operationally himself," said R. Nicholas Burns, a retired career diplomat and an under secretary of state for President George W. Bush. "He has to delegate, and that's what's missing now."

R. C. Hammond, Mr. Tillerson's spokesman, said Mr. Tillerson was simply tackling the problems of an unwieldy bureaucracy that his predecessors had ignored. And the more he has learned about the department, according to Mr. Hammond, the more problems he has found.

"What we are discovering is that there are a series of problems that have been neglected and ignored," Mr. Hammond said. "And they are causing larger problems that can be fixed if things are vetted properly and installed."

Mr. Tillerson, 65, has made clear his assessment of not only the State Department but the federal government in general.

"It's largely not a highly disciplined organization," he said in an interview last month while on a flight back from the Middle East, where he tried unsuccessfully to resolve a bitter feud between Qatar and four Arab nations. "Decision-making is fragmented, and sometimes people don't want to take decisions. Coordination is difficult through the interagency — has been for every administration."

Almost from the time of his arrival, Mr. Tillerson has said the department needed to be reorganized, and he has embarked on a wholesale rethinking of its structure. He has hired two consulting companies, undertaken a departmentwide survey and set up

Canada. It has been much more balanced and much more fair." Perhaps he means the proposal as a bargaining chip, to be traded for some other, more valuable concession. Or perhaps he will be willing to finesse it behind closed doors, just as he pleaded with Mr. Peña Nieto to help him wiggle out of his unwise promise to make

five committees to analyze different aspects of the department.

Mr. Tillerson has said the reorganization will be driven by suggestions from staff members, but before the survey process even began he proposed a 31 percent cut to the department's budget and an 8 percent staff cut — suggesting to many that his mind was already made up. He must give Congress a hint of his plans by Sept. 15 but does not expect to have them fully formed until the end of the year.

Mr. Tillerson's diplomatic accomplishments have been mixed at best. His biggest achievement came Saturday when the United Nations Security Council voted unanimously to impose sanctions on North Korea for its recent tests of intercontinental ballistic missiles, which required bringing along the Russians and the Chinese. But his effort to resolve the struggle between Saudi Arabia, along with other Sunni powers, and Qatar has made little progress; his department is considered dysfunctional by the Europeans; and policy is entrusted to a tiny group.

Moreover, his reorganization effort has contributed to the paralysis. He has not wanted to appoint under secretaries and assistant secretaries until he understands the new structure. But the career officials sitting in those posts have little authority, and they fear making a career-ending move. His hiring freeze has meant few young people — those with a better sense of how to reach the younger populations around the world — are entering the department. Senior diplomats have left in droves, depleting the building of historical memory.

Wendy R. Sherman, the under secretary of state for political affairs in the Obama administration, noted that the department's deep bench of talent meant the United States had "more ideas and more capabilities" than any other diplomatic player in the world.

"It is more than concerning that we would stultify that capacity through deep budget cuts, centralization of

Mexico pay for a border wall. We certainly hope the administration can be pragmatic on this point, lest it trigger the trade war with our neighbors that Mr. Trump once promised but so far has sidestepped.

decision making at State and leaving empty leadership positions," she said.

There is widespread agreement within the department that some kind of reorganization is needed. In just one example, the department has more than 60 special envoys and offices dealing with such issues as climate change and human trafficking. These envoys and offices operate outside the usual chain of command, and proposals to trim those back are widely popular and part of Mr. Tillerson's plan.

The criticism is that Mr. Tillerson has neglected other priorities.

"There's a broad acceptance of the need for reorganization and a growing frustration at the need for decisions to deal with ongoing issues," said Ronald E. Neumann, president of the American Academy of Diplomacy and a widely respected department veteran. "The number of necessary but unmade decisions is steadily growing."

The hope in Foggy Bottom was that once Mr. Tillerson began filling out his top cadre of leaders, the logjam of decisions would ease as his deputies relieved some of the strain. John Sullivan's confirmation in late May as deputy secretary of state was seen as a watershed, since Mr. Sullivan is well liked, works hard, has government experience and is focused on administration.

But instead of improving matters, Mr. Sullivan's appointment seems to have only made them worse. On July 17, Mr. Tillerson revoked or put under review all of Mr. Sullivan's decision-making powers as well as those of all the other senior leaders in the department. Diplomats say the cause was a decision that Mr. Sullivan made that Mr. Tillerson disliked, but Mr. Hammond denied that Mr. Sullivan had done anything to trigger the move.

What did, he said, was Mr. Tillerson's discovery that many of the hundreds of responsibilities traditionally assigned to high-level officials below the secretary had not been fully vetted or publicly disclosed. Among those

responsibilities are the authority to approve hundreds of required reports to Congress, to accept the design of new embassies and to coordinate income tax issues between the United States Treasury and foreign governments.

"So to ensure that there are a legitimate set of lines of authority, we have revoked them," Mr. Hammond said.

After a thorough review and public accounting, the leaders' decision-making powers could be re-established or no longer be subject to review, he said. For now, all decisions, no matter how trivial, must be sent to Mr. Tillerson or his top aides: Margaret Peterlin, his chief of staff, and Brian Hook, the director of policy planning.

"By putting a hold on things, he's not causing things to break," Mr. Hammond said of Mr. Tillerson. "They were broken when we arrived. In fact, Washington being broken is a big reason we were elected."



Why Has Rex Tillerson Belly-Flopped as Secretary of State?

Derek Chollet

I ask the question with regret. Before this year, Tillerson had a long and distinguished career as chief executive of one of the world's most complex companies. At ExxonMobil, he led a global workforce of thousands, and was no stranger to tricky politics, earning praise for navigating his company's position on climate change and helping to end the discriminatory, homophobic policies of the Boy Scouts of America.

Like Tillerson himself, I was surprised when President Donald Trump asked him to lead the State Department. He was not part of the Republican national security establishment or a major political figure, and aside from serving on a few think-tank boards, barely registered in the foreign-policy community. Nor, thankfully, was he a Trump zealot or Fox News regular like Rudy Giuliani or John Bolton. As I learned more about Tillerson's private-sector record, I came to believe he had the tools for success at the State Department. In fact, from a management perspective, his experience surpassed that of most of his predecessors.

Although new to public policy, Tillerson was no stranger to global politics, having rubbed shoulders and brokered deals with many world leaders. Such respected mandarins as James Baker, Robert Gates, and Condoleezza Rice vouched for him. So I was ready to do more than just

Patrick Kennedy, a former under secretary of state for management who was appointed by Mr. Bush in 2007 and served in that capacity until early this year, said Mr. Tillerson's decision to revoke or re-examine the authorities that were delegated only worsened a leadership crisis that had resulted from his failure to get his own leadership team in place.

"The department doesn't have horsepower to operate at prime capability, and the reported revocation of the delegation of authorities to other people only exacerbates the situation," Mr. Kennedy said.

In another example of just how much Mr. Tillerson is sweating the details, he recently insisted that his staff members submit a memorandum justifying each proposed hiring of a diplomatic spouse in the embassies in Baghdad and Kabul, Afghanistan. Such spousal jobs are an important

give Tillerson a chance — I actually expected good things.

After six months on the job, the secretary of state entered August enduring one of Washington's hallowed rituals, the career deathwatch, as leaks about his frustrations grew and rumors spread that he might walk. A few months ago it seemed reasonable to bet that he would not survive much past the 2018 midterms, and be replaced by Nikki Haley, the current U.S. ambassador to the U.N. Now it would be surprising if he even made it that far. Things are so bad that when the State Department press spokeswoman recently said Tillerson would be taking a few days off, many immediately guessed he was on the brink of resigning. The chatter has even produced a new word in the Washington vernacular: "Rexit."

Other secretaries of state have gotten off to rough starts — think Alexander Haig and Warren Christopher. But Tillerson's beginning is by far the worst of the modern era. This week, he made his first visit to the State Department pressroom, explaining how busy he's been and giving shout-outs to a lot of officials he's working closely with. But one appearance can't compensate for the fact that, as an analysis by the *New York Times* illustrated, this is the lowest-profile State Department in at least half a century.

Tillerson is easily the most invisible top diplomat since Christian Herter. But as a devastating report by

means of encouraging diplomats to take hardship posts and generally save the department the expense of sending and housing another American independently.

Mr. Tillerson personally reviewed the necessity for every one of those jobs.

"Because there's a hiring freeze, it requires the secretary's signature to make any of these hires," Mr. Hammond said.

But in the meantime, State Department officials must tend to the daily functions of the department — writing reports to Congress, issuing visas and interacting with 190 countries. His critics say Mr. Tillerson has stood in the way of getting much of it done.

"We support paring back the number of special envoys, especially when the function can be folded back into the bureaus, clarifying the lines of authority," said Barbara Stephenson, president of the

American Foreign Service Association. "We also support streamlining cumbersome administrative processes that eat up precious hours of every workday. However, the ship of state can, and must, keep moving during this process."

At a rare meeting with reporters in July, Mr. Tillerson acknowledged that the State Department suffered from poor morale but was generally dismissive of the criticism at its root. "It is to be expected that we will go through some morale issues early on," he said, adding that he was "mindful of it."

"I pay attention to it," he said.

But he said he was carrying out the policies of a president elected by the American people, and to those who cannot adjust to the new administration, "we have given them permission to go do something else."

Foreign Policy and many smart observers have pointed out, the institutional damage is far greater and more lasting.

How could someone with such an accomplished private-sector career have turned out to be such a disappointment? Consider four possible reasons.

First, there's the excuse one hears most often from Tillerson's defenders: This is a short-term hiccup and in fact he's playing a long game. Tillerson's slow start is therefore by design — he's purposely taking it slow and steady, learning the issues, building his relationship with the president, solidifying his alliance with the "axis of adults," and once he's ready, things will turn around.

This spin worked for the first few months, but its shelf life has long expired. Tillerson's most prominent validators have gone quiet — has anyone heard from Baker, Gates, or Rice lately? We used to read a lot about Tillerson and Trump dining together, and how Tillerson talked to Secretary of Defense James Mattis all the time. Now we hear more about Tillerson fighting with the White House over personnel, see him get out-hustled by the Pentagon, and witness the public spectacle of he and Trump differing on policy issues like the fight between Saudi Arabia and Qatar or the fate of the Iran nuclear deal. The president regularly brags about his generals, but never says very much about his Rex.

To be effective, the secretary of state must have a strong relationship with the president. So I don't fault Tillerson for trying. The problem is he doesn't have much to show for it, and a lot of what he's done to appease the White House (such as alienating the career Foreign Service officers, who have made their suspicions of Trump widely known) has only compounded the problems in his department.

Now the knives are out for him, as some of the chatter about Tillerson's ineffectiveness are coming not just from the State Department, but sources in the White House. He has very few admirers in Congress. And as for the big boss, Tillerson has yet to be on the receiving end of a disapproving Trump tweet, but the fate of Attorney General Jeff Sessions has to be foremost on his mind. No matter how much time one spends sucking up to this president, you are only a step away from being under the bus.

A second explanation is that since Tillerson genuinely believes the State Department needs to be better managed and reformed to be effective in the 21st century, he is taking the time to make that happen. That's not entirely wrong. I don't know anyone who believes the State Department is a bureaucratic Ferrari. Previous secretaries have undertaken major reform efforts that reshaped the organizational chart. Christopher had a "strategic management initiative," Madeline Albright pursued a "war for talent," Colin Powell oversaw a massive

information technology upgrade, Rice launched "transformational diplomacy," and Hillary Clinton instituted a "quadrennial diplomacy and development review," which John Kerry continued. So Tillerson's "redesign" follows in these footsteps.

But there are some big differences. All of these prior efforts were undertaken in the service of making the State Department stronger — to enhance America's diplomatic power with greater resources and people. They were about investing in the institution. Tillerson, on the other hand, seems perfectly content with diminishing the department's role.

Tillerson has some highly capable people around him — friends and former colleagues I greatly respect. But when it comes to building a State Department for the next generation, I am hard pressed to name a single thing Tillerson has said or done to attract the best talent. If anything, he's driving people away by decapitating the Foreign Service and ending valuable entry-level programs like the Presidential Management Fellowship. He appears fine with all

the senior level vacancies. He has told senators privately that he thinks that the State Department is way too big and has too much money — as evidenced by his shocking decision not to spend nearly \$80 million allocated to the department to fight terrorist propaganda and Russian disinformation.

So despite all the earnest management consultant talk, few are really convinced Tillerson's reform initiative is about making diplomacy more effective or actually driven by the "bottom-up." The people running it are viewed with derision and suspicion, like the "Bobs" in *Office Space*. Instead of making the State Department stronger, under Tillerson it is becoming more like the foreign ministries in China, Russia, and Saudi Arabia — a bureaucracy with clerks but few policymakers, while the true power in government rests elsewhere, around the strongman leader and in the military and intelligence services.

Which leads to a third reason Tillerson is off to the worst start ever: because, management issues aside, he has embraced a policy

framework that relegates the State Department to second-tier status, and America itself to being a back-row kid. Tillerson is the first secretary of state to preside over an "America First" policy. I don't know if he really believes in it, or just parrots these lines to stay in Trump's good graces. But unlike Mattis, he goes out if his way to defend the concept. It is telling that when the world wants reassurance that the U.S. will maintain its leadership and stand by its commitments, it looks to the Defense Secretary, not America's top diplomat.

A fourth explanation for Tillerson's flop is the simplest and most innocent: He never wanted the job, doesn't really like it, and is just trying to stay afloat and counting the hours until he can make a graceful exit. No secretary of state has taken the job with as little enthusiasm. Tillerson has been very open about his doubts over leaving ExxonMobil and missing his old life. He recognizes the fact that the job of secretary of state is very different from that of a corporate CEO, and seems to feel out of place, like a major league outfielder being thrown into the game as a pitcher.

If he enjoys any part of his day right now, it isn't evident. Instead, State Department officials complain that he spends his time cloistered in his office alone reading papers or huddled with a few aides, many foreign counterparts find him inaccessible, and interagency colleagues observe he is a grumpy presence in the Situation Room.

Watching Tillerson's first six months, one wonders whether Trump picked him as a way to diminish the State Department, similar to how Richard Nixon chose William Rogers for the express purpose of ensuring that the department remained weak. As Henry Kissinger recalled of Rogers, "few secretaries of state can have been selected because of their president's confidence in their ignorance of foreign policy."

Trump is not that clever. Nor does he know history's lessons well enough to follow them. But future secretaries of state and their staffs will study Tillerson's opening months to learn what not to do — and have to spend a lot of time and valuable capital to fix what he's breaking.

ETATS-UNIS



Like it or not, the Republicans own President Trump

Julian Zelizer is a history and public affairs professor at Princeton University and the author of "The Fierce Urgency of Now: Lyndon Johnson, Congress, and the Battle for the Great Society." He's also the co-host of the "Politics & Polls" podcast. The opinions expressed in this commentary are his own.

(CNN)More and more Republicans are becoming openly critical of President Trump. The GOP congressional delegations who control the House and Senate headed home last week without any major legislation to show for their first six months of united government and Trump himself went on vacation.

In recent weeks, we've seen

Sen. John McCain

defy the President by sinking the effort to repeal Obamacare.

Sen. Lindsey Graham

warned Trump to back off his criticism of Attorney General Jeff Sessions or it would be the beginning of the end of his presidency. Arizona

Sen. Jeff Flake published a new book

lambasting Republicans for remaining silent as they watch the dysfunction of this administration play out in real time. People are already speculating about potential primary challengers to Trump, should he run for reelection in 2020.

And a growing number of conservative pundits feel comfortable expressing doubts about President Trump, even in the conservative holy land of Fox News.

But this is not an easy stance for Republicans. In fact, they own President Trump. They can try to disassociate themselves from him, but they and their party are as culpable as anyone for creating a path in American politics that allowed him to win election and to govern in the way that he does. He is in fact a Republican, given what the party has become, and is not some maverick who has stolen away the party. It wasn't that he outwitted the Republican establishment, it's that the Republican establishment has changed.

To understand the roots of President Trump, it is vital to remember that the Republican Party thus far has generally stood behind him and his agenda. Evangelical voters entered into a Faustian bargain with their support for a candidate who personally seems to be the antithesis of everything that their movement supports.

Despite all his controversial positions and statements, Trump performed very well in most red states during the election and polls show that he continues to hold pretty strong support in the Republican electorate. A

Quinnipiac poll

shows that 76% of Republicans approve of the President. Those numbers have dropped but they are not nearly as low as one might expect given what we are seeing in national polls

where Donald Trump is unpopular, untrusted, and essentially unacceptable to Democrats and many independents as President of the United States.

Many Republican legislators have been reluctant to tackle the Russia problem, while only a handful of Republicans actually voted "no" on the health care bill despite all the fireworks about the revolt of the moderate three in the Senate. A surprising number of House Republicans outside the Freedom Caucus voted in support of an extraordinarily conservative bill. As Jennifer Senior wrote in her New York Times

review of Sen. Flake's new book

: "But Flake has also cast most of his votes in favor of Trump's policies."

Almost no Republicans have objected to the extreme measures that President Trump has been pursuing through executive action, such as rolling back regulations to curb climate change or ramping up border security.

There was little pushback when the President responded to his week of crisis by supporting legislation to severely

cut down on immigration

and "joked" about wanting more

police brutality

, all of which were meant to be part of what amounted to "Don't Worry, I'm a Conservative Republican Week." The President has made clear his intention of trying to

cut the corporate tax rate

to 15%, manna from heaven for keepers of Ronald Reagan's supply-side legacy.

From Newt Gingrich's election as House Speaker in the wake of the 1994 midterms through the emergence of the tea party, the Republicans have steadily shifted to the right on public policy and adopted an aggressive, do-what-it-takes style to governance that laid the groundwork for the Trump presidency.

On immigration, voting rights, tax policy, climate change and more, the GOP traveled farther from the median voter and President Trump has stood right by their side. The health care reform the President supported came directly out of the Freedom Caucus agenda -- and failed when more Americans learned from

Congressional Budget Office

analyses how draconian the cuts in their health care coverage would be.

President Trump's vulgar language and zealous rejection of fact-based analysis of the issues (such as

voter fraud

or

climate change

, for example) comes directly out of the conservative media universe that have been peddling this style of political discourse for some time now. We know that Trump likes Alex Jones and

Fox & Friends

, while his senior advisor Stephen Bannon helped to make

Breitbart.com

what it is today.

Conservative pundits have been challenging mainstream expertise on issues such as climate change for a long time. On the airwaves, it is common to see hosts and reporters vilify Democrats, and Republicans who are too centrist, with discussions of conspiratorial accusations such as

birtherism

that receive treatment as though they are mainstream news. Older listeners who remember Bob Grant's fierce talk radio shows will recognize some of the lineage of Trump's most pointed statements.

While some Republicans certainly distance themselves from these elements of the media, in reality much of the party has relied on this aspect of their world as a foundation for party power. Figures such as

Rush Limbaugh

have been deeply embedded among top Republicans for decades.

And the alliances that President Trump has made with extremist elements in the electorate are nothing new. The so-called "base" of President Trump's support was already becoming a bigger part of the Republican Party back in 2008 when Senator McCain selected Alaska Gov. Sarah Palin

to join him

as his running mate.

In a revealing film,

Right America: Feeling Wronged

, the documentarian Alexandra Pelosi (Nancy Pelosi's daughter) captured the mood at McCain-Palin rallies in 2008 which was almost exactly like what we saw at Trump-Pence rallies during the 2016 campaign.

The movie shows voters at campaign rallies, holding up signs that read "Country First," railing against a media that they believed was stacked for the Democrats and forecasting how an Obama presidency would lead to the end of civilization. The historian

Rick Perlstein

has shown how important this underside of Republican politics has been since the 1960s.

If Republicans really become dissatisfied with President Trump and what he stands for, they will have to take a deep dive into their own history and reckon with it. Otherwise, any effort to cleanse the party of President Trump's impact won't really work. Republicans will find themselves in the same place come 2020.

THE WALL STREET JOURNAL.

Congressional Recess, Full Plate Keep the Heat on GOP Lawmakers (UNE)

Siobhan Hughes and Janet Hook

Congressional Republicans plan to use the next four weeks away from Washington making a public case for a sweeping rewrite of the tax code, an ambitious legislative undertaking they hope will heal divisions that opened when the party's signature health-care bill collapsed.

But at home in their districts, they face pressures that could make it hard to focus on taxes. Many of their constituents and party activists blame Congress, more than President Donald Trump, for the health-care stalemate and are pressing them to find a resolution. And before they can do anything, lawmakers face a load of time-sensitive fiscal business: hashing out a budget, funding the government and raising the federal debt limit.

The result is a party sent home for a month-long recess to face mixed messages from voters and an uncertain path forward in the fall.

"Back home, people aren't mad at the president. They're mad at the Republican Party for not working with the president to try and get things done," said Rep. Mike Kelly (R., Pa.), who said he hears

complaints while doing errands at Wal-Mart in a district that Mr. Trump handily won.

How Republican lawmakers respond to such frustration—and whether they move past the health defeat or get swept back into that fight—will determine whether the GOP-led Congress returns as a unified force. August is the longest recess of the year, and constituents can both energize and draw energy from lawmakers who appear at town halls and other meetings.

Many Republicans are worried that an inability to deliver major legislative accomplishments would result in significant GOP losses in midterm congressional elections. Although Republicans have a favorable map in 2018 that should bolster their chances of holding their Senate majority, GOP strategists see a greater risk of losing control of the House.

A June Wall Street Journal/NBC News poll found that people said they would prefer Democrats over Republicans controlling Congress by a 50%-42% margin—the highest level of support for a Democratic Congress since September 2008.

"More people have sent me emails completely disgusted with the

Republican Party," said Jenny Beth Martin, co-founder of Tea Party Patriots. "Their frustration is with members of Congress."

For now, it seems that Republican voters are more prone to blame Congress than Mr. Trump for Washington's continued gridlock. Mr. Trump's job-approval rating is low: 40% in the June Journal/NBC poll. But Congress's ratings are even lower: 20% in July, according to Gallup polling.

Tensions between Mr. Trump and his party on Capitol Hill have mounted in recent weeks. The president berated congressional Republicans—as a group—for failing to repeal the 2010 Affordable Care Act, and some individually for crossing party lines to vote against legislation to replace it.

At the same time, congressional Republicans have grown increasingly willing to defy and speak critically of Mr. Trump. They sent him a bill imposing sanctions on Russia that he opposed. They defended Attorney General Jeff Sessions when Mr. Trump was attacking him.

Republicans are divided over whether the battle over the ACA is over or whether they should try

again for health changes while pursuing a complicated tax-code rewrite. The party also is split over whether to reach out to Democrats or to continue pursuing its agenda on a partisan basis.

In Kentucky on Saturday, Senate Majority Leader Mitch McConnell showed willingness to support a bipartisan effort being spearheaded by Sen. Lamar Alexander (R., Tenn.). Mr. Alexander's initiative would stabilize health-insurance markets for people who don't get coverage through work or from government programs—so long as the stabilization is accompanied by some broader health-insurance changes.

The GOP-led Congress can't give its full attention to either health or tax matters until it has dispensed with more pressing issues, including raising the federal debt limit by Sept. 29 and keeping the government funded beyond Sept. 30, the end of the fiscal year.

Those time-sensitive issues will be a heavy lift for Republicans. One issue is whether the needed debt-ceiling increase should include conditions demanded by the party's conservatives. On the spending bill, action could be slowed if

Republicans include controversial items such as money for Mr. Trump's plan to build a wall along the U.S.-Mexico border in a security-related spending bill. "Tax reform will have to take a back seat," said Greg Valliere, chief global strategist at Horizon Investments, in a recent research note. "Very complicated budget issues will dominate this fall, and the White House is not ready for the GOP infighting that will erupt."

Tea-party activists who have sought a repeal of the ACA for years plan a Sept. 23 rally in Washington to air their grievances that Congress has failed on that and other fronts.

Rep. Mike Coffman (R., Colo.) at a town-hall meeting last week got a lesson on how much health care is still on voters' minds. A majority of questions focused on health care,

coming from both those who favored and opposed the ACA. Among them, one woman berated Congress for getting coverage via the ACA while some voters struggle to find affordable coverage.

"How do you address a problem when you don't know what it feels like?" the woman said.

Some lawmakers plan to keep the focus on health care over the recess. But others plan to focus relentlessly on tax policy. House Ways and Means Chairman Kevin Brady (R., Texas) plans to use Ronald Reagan's ranch as a backdrop for an August event urging an overhaul of the tax code. The White House has also been planning events at which Mr. Trump will make the case for a tax rewrite.

Most Republicans agree on broad contours of a tax overhaul, one that would lower rates for companies and individuals, mostly high-income households. But the party has to overcome strategic differences over how to write a bill. Mr. McConnell has said a tax rewrite would likely be a partisan exercise. The White House has suggested Republicans should reach out to Democrats who represent regions where Mr. Trump won, and develop a bipartisan package.

"I'm a big fan of having a Plan B where you could see a coalition of Democratic and Republican senators come together," said Rep. Tom Reed (R., N.Y.), who isn't coordinating with the White House but said he has reached some of the same conclusions. "Going down the path of a partisan bill, if they chose to do that, good luck."

Mr. Reed is a co-chairman of a group called the Bipartisan Problem Solvers Caucus and said he sees room for a tax deal that also would generate infrastructure revenue. He and other group members have been exchanging ideas over the recess about the path forward on avoiding a government shutdown and a crisis over the debt ceiling.

Democrats last week argued against any tax overhaul that lowered rates for the top 1% of households and said they wouldn't back deficit-financed tax cuts.

Write to Siobhan Hughes at siobhan.hughes@wsj.com and Janet Hook at janet.hook@wsj.com

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**The
Washington
Post**

The first Affordable Care Act enrollment season of the Trump era is still a mystery (UNE)

By **Amey Goldstein** and **Paige Winfield Cunningham**

As the fate of the Affordable Care Act dangled dramatically in the Senate last month, the Trump administration abruptly canceled contracts with two companies that have helped thousands of Americans in 18 cities find health plans under the law.

The suspension of the \$22 million contracts, which ends enrollment fairs and insurance sign-ups in public libraries, is one of the few public signs of how an administration eager to kill the law will run the ACA's approaching fifth enrollment season.

With that sign-up period less than three months away, the government appears to be operating on contradictory tracks, according to insurers, state insurance commissioners, health-policy experts and leaders of grass-roots groups that have worked to enroll the roughly 10 million consumers around the country who now have ACA coverage.

President Trump continues to stage photo ops at the White House and on travels with people he terms "Obamacare victims." The Department of Health and Human Services is issuing weekly maps showing the few dozen counties that might lack an ACA health plan for next year. And despite the failure of Senate Republicans to abolish much of the law, Trump and his top aides have not entirely relinquished hopes of a victory in Congress this fall.

Yet many layers down in the government, the part of HHS that directly oversees the ACA's insurance marketplaces and the federal HealthCare.gov enrollment website has been carrying out much, if not all, of its regular work — convening its annual meeting in June with "navigators" who help steer consumers toward ACA health plans and telling them their grants will continue, according to three participants.

Officials provided no assurances at that meeting, however, about whether the administration would continue the government's other usual enrollment activities or promotion. (In January, it had halted most advertising aimed at encouraging consumers to sign up in the final crucial days before the deadline for 2017 coverage.)

"Every time the question was brought up ... the only answer we received is they were working on it, and they hadn't made a final decision about whether they were going to have a marketing campaign this year," said Daniel Bouton, manager of a consortium that helps people enroll across North Texas.

The internal dissonance and information vacuum reflect the profound political shift that occurred in January when the administration of President Barack Obama, which relentlessly championed the sprawling 2010 law, was replaced by its ACA-naysaying successor. While the GOP's recent legislative pyrotechnics have attracted the greatest attention regarding the law's future, the most practical test

of the Trump administration's intent is whether it will help or hinder the marketplaces, designed for people who cannot get affordable health benefits through a job.

Just a week ago, HHS Secretary Tom Price twice said during a television interview that "our responsibility is to follow the law" — before again bad-mouthing it.

[IRS won't withhold tax refunds if Americans ignore ACA insurance requirement]

For now, the largest mystery looming over the upcoming enrollment season is whether the president will carry out his stated resolve to end payments made to insurers on behalf of about 7 million lower-income customers to help them afford their ACA plans' deductibles and copays. Without those subsidies — the subject of a federal lawsuit — policy premiums are widely predicted to spike for 2018, and more insurers may defect.

White House aides had said a decision would be made last week, but none was announced. Insurers planning to participate in the marketplaces next year must submit final rates to states in less than 10 days.

"It's entirely opaque to us," said Julie McPeak, Tennessee's insurance commissioner and the incoming president of the National Association of Insurance Commissioners. She said that she and colleagues have contacted officials at HHS, the Justice Department, the White House's intergovernmental affairs office, and

its Office of Management and Budget, trying to learn which part of the government would make the decision about these cost-sharing payments and when.

"And we can't get a clear picture," McPeak said. As a result, she noted, Tennessee cannot plan its own outreach efforts because it is impossible to provide consumers accurate information about insurance prices and choices for the coming year.

There are other unknowns that also will shape — or upend — the enrollment period when it begins Nov. 1: Will the government contact the roughly 10 million people with ACA coverage to alert them that sign-ups will last just 45 days, about half as long as in the past three years? Will HHS run call centers for consumers who need help as they look for plans? Will the HealthCare.gov computer system be adjusted to accommodate a possible crush of shoppers given the shorter time frame?

And how will automatic enrollment be handled? In previous years, notices have been sent out in mid-December, informing customers with coverage about price changes for their current health plan and urging them to shop around. This year, Dec. 15 is when enrollment will end.

Federal health officials declined Thursday to answer questions about a half-dozen specific facets of the impending enrollment season. Instead, a spokeswoman for HHS's Centers for Medicare and Medicaid Services issued a generic statement: "As open enrollment

approaches we are evaluating how to best serve the American people who access coverage on HealthCare.gov.”

An hour later, the spokeswoman, Jane Norris, requested that the statement be withdrawn, saying that she did not have permission to release it. Asked again for detailed answers, neither she nor anyone else at HHS responded further.

[HealthCare.gov suffers first enrollment decline as GOP works to kill the ACA]

Mike Leavitt, a health-care consultant and former Utah governor who served as HHS secretary under President George W. Bush, considers the Trump administration’s handling of the marketplaces a metaphor for its

overarching view that government should play a smaller role.

Evening Edition newsletter

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He predicts that the two ACA contracts cut last month — with the Northern Virginia-based companies Cognosante and CSRA — will not be the last to go. The White House is likely to “cancel enough contracts . . . to make it very clear the future is going to be very different than the past,” he said.

Still, Leavitt predicted the government is unlikely to back away entirely from its role in the marketplaces in the administration’s first year. “If you are the secretary of health, you don’t want to buy

yourself a huge mess at the end of the year . . . by creating such an abrupt shift that the administration gets that blame,” he said.

At the liberal consumer-health lobby Families USA, the staff grew accustomed over the past four years to frequent meetings with HHS staff members and other consumer groups to talk over eligibility and related issues for open enrollments. There have been no such meetings since Trump took office, and federal officials have sometimes replied to written questions by saying no decision has yet been made, according to Eliot Fishman, the organization’s senior director of health policy.

Heather Korbolic, executive director of the Silver State Insurance Exchange in Nevada, is feeling

daunted by a similar lack of answers. She has tried to find out whether HHS intends to contact Nevadans with ACA health plans to remind them to enroll — a particularly pressing issue because the state exchange operates under a hybrid system and pays about \$5 million to rely on HealthCare.gov. She also has tried to get federal officials to provide a list of currently enrolled residents so the state can notify them directly.

“I ask this question every week,” Korbolic said. “It’s verbal, written, and to different levels of management . . . We are desperately seeking answers.”

POLITICO Tax writers see peril in Trump’s Obamacare persistence

By **BERNIE BECKER** and **AARON LORENZO**

Republicans acknowledge that the aggressive timeline they have set up for overhauling the tax code this fall leaves them little room for error.

There could be one problem with that: Obamacare isn’t going away.

Story Continued Below

President Donald Trump has dropped hints that he might stop the Affordable Care Act’s cost-sharing reduction payments, through which federal funds flow to insurance companies to keep down coverage costs for low-income people.

At the same time, Sen. Lamar Alexander (R-Tenn.), the health committee chairman, is working with Democrats on potential measures to shore up the health care law.

That’s left key Senate tax writers frustrated that there’s potentially another issue to take precious time away from their tax reform efforts. Senators left Washington on Thursday for a monthlong recess and will return to a September already overloaded with legislative deadlines. With key Trump administration officials and some congressional leaders having said they want to get a tax revamp signed into law this year, tax writers believe they’ll need to make serious progress starting next month.

“We’re not going back to health care. We’re in tax now. As far as I’m concerned, they shot their wad on health care and that’s the way it is. I’m sick of it,” Senate Finance Chairman Orrin Hatch (R-Utah) said Wednesday, a day before he outlined his committee’s agenda for the fall.

A senior Senate aide added that it would be a mistake for Republicans to return to an issue that has largely ground policymaking to a halt during a year in which the GOP has had full control of Congress and the White House for the first time in a decade.

“Further action on health care would only draw more attention to an issue that’s dividing Republicans and take focus away from the important topic — taxes — that has the ability to unite but will need members’ full attention,” the aide said.

Hatch said Thursday that the only health item that his panel would deal with in September is an extension of the Children’s Health Insurance Program, funding for which runs out on Sept. 30. The Utah Republican said he hoped the rest of the committee’s focus could be on tax reform, and later told reporters that he plans to have a September markup on taxes.

The problem for the Finance Committee is that there’s no shortage of key initiatives facing a late September deadline. Treasury Secretary Steven Mnuchin has said the debt limit needs to be raised by Sept. 29, because government funding is set to run out on Sept. 30. Congress also needs to reauthorize the National Flood Insurance Program and the Federal Aviation Administration by the end of the month.

Current and former congressional aides say many of the decisions on those September issues will be made above the committee level, freeing Finance to dig in on tax reform.

But the fear for Hatch and others is that further work on health care could linger for months, taking

attention away from a potential tax overhaul that will require input on a wide range of complicated, dense provisions. The Finance Committee has its own jurisdiction over health matters, making it even more likely it would be dragged in should another Obamacare debate pop up in the fall.

“What we ought to focus on is how we cut taxes in such a way that the average person in our country who has not experienced this recovery has more money in their accounts at the end of the week or the end of the month,” said Sen. Tim Scott of South Carolina, another GOP tax writer. “That’s what we should focus on, and I think we’ll have some success there.”

Alexander is working with Sen. Patty Murray of Washington, the top Democrat on the health committee, on a measure that could offer states more flexibility on Obamacare while also funding the cost-sharing subsidies.

Alexander has asked Trump to continue funding the subsidies while the bipartisan work on health care continues, but the president has repeatedly threatened to stop the payments. That would further destabilize Obamacare markets, likely forcing a response from Congress.

GOP senators said last week they didn’t expect Trump to follow through on his threats. But if he did, “you’re talking about chewing gum and walking at the same time. It isn’t an either-or,” said Sen. Pat Roberts (R-Kan.), a longtime Finance member. “I think it’s probably on a dual track, which isn’t saying much about health care because we haven’t exactly decided what the right thing to do is.”

Marc Short, the White House’s director of legislative affairs, and Rep. Mark Meadows (R-N.C.), chairman of the ultraconservative Freedom Caucus, have both suggested that tax reform needs to be wrapped up by the end of November, before next year’s political campaigns ramp up.

Other Republicans haven’t put forth quite so aggressive a timeline, but they acknowledge that the GOP has lots of work left to get a tax reform bill in place — especially if, as expected, they get little to no help from Democrats.

The so-called Big Six — Mnuchin; Gary Cohn, director of the National Economic Council; Senate Majority Leader Mitch McConnell; Hatch; House Speaker Paul Ryan; and House Ways and Means Chairman Kevin Brady (R-Texas) — released a statement recently summarizing broad areas of agreement on tax reform.

But there are still any number of key policy decisions that the GOP needs to make, including how low to drop the tax rates for businesses and individuals, how aggressively to allow businesses to write off investments, and how many tax changes need to be permanent.

Both the House and the Senate also have yet to pass a budget, which the GOP will need to pass tax reform through budget reconciliation, a process that allows certain fiscal measures to get through the Senate with a simple majority.

That’s led some observers to say it’s understandable why key Republicans are worried about Trump making a move on the cost-sharing payments or Obamacare remaining in the spotlight in general.

"There are things you want to do, things you must do and things you are forced to do. The challenge is not letting the latter two kill the first,"

said Sage Eastman of Mehlmán Castagnetti, who was a top aide to former House Ways and Means Chairman Dave Camp (R-Mich.).

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Budget Fight Imperils GOP's Tax Reform Dreams

Russell Berman

Forget health care: Republicans are moving on to tax reform.

With last month's collapse of their No. 1 legislative priority, the White House and GOP congressional leaders have made a nearly complete pivot to agenda item 1A—rewriting the nation's tax code for the first time in more than 30 years.

This effort, they promise, will be different than health care. Why? The party is united around a broad set of principles, rank-and-file lawmakers are desperate for a legislative win, and congressional committees have spent years laying the groundwork for precisely this moment. Allied conservative groups have committed millions to ads promoting the effort, and President Trump will sell it to the country—something he did not do on health care. According to the grand plan, legislation will be introduced in the House in September, votes will be held in October and November, and Trump will triumphantly sign this once-in-a-generation reform into law by the end of the year. *Easy peasy.* "This is a pass/fail exercise, and we will pass tax reform," Treasury Secretary Steven Mnuchin declared last week. "It's going to get done this year."

There are many reasons to be skeptical of these confident assertions, not the least of which is that the Trump administration made these exact same claims about repealing and replacing the Affordable Care Act six months ago. To name just a few hurdles: Tax policy is even more complicated than health care. The failure of Obamacare repeal made tax reform more difficult both in terms of policy and politics. Congress will face even more pressing deadlines in September to fund the government and raise the debt ceiling. And Republican lawmakers are not nearly as unified around the details of taxes as their leaders would suggest.

But the biggest immediate obstacle in the way of quick action on tax reform is a fundamental one: Republicans have been unable to pass a budget for 2018, and without that, they can't unlock the fast-track reconciliation process that would allow them to enact tax reform without Democratic votes in the Senate. It's that same mechanism the GOP used to advance health-care legislation that would have

passed the Senate last month with just one more Republican vote. Ordinarily, the annual budget is a non-binding document that sets spending levels for the government, which only take effect once Congress passes appropriations bills. But a budget is a prerequisite for the reconciliation process: It contains formal instructions for the tax-writing committees in the House and Senate to draft legislation.

Passing budgets used to be a point of pride for House Republicans. The party approved the fiscal blueprints written by then-Budget Committee Chairman Paul Ryan for four consecutive years beginning when the GOP assumed the House majority in 2011. Each of them called for steep reductions in domestic spending, tax reform, and an overhaul of Medicare and Medicaid. But in recent years, the divisions between moderates and conservatives that have plagued the GOP on so many issues have stymied the budget process as well. The House failed to pass a budget last year and only approved a shell of a resolution in January to set in motion the reconciliation process for health care.

This year, Republicans have been more united in their opposition to some of the deep discretionary spending cuts proposed by Trump than in agreeing to a fiscal vision of their own. Under the leadership of Chairwoman Diane Black of Tennessee, the House Budget Committee approved a budget on a party-line vote in mid-July, months later than usual. But it did not come to the floor before the House left for a five-week recess, and lawmakers and aides acknowledged it lacked the votes to pass. Unwilling to wait any longer, the House actually passed a package of appropriations bills covering defense and security spending despite the lack of action on the budget. "The only reason we need a budget now is reconciliation," said Representative Jim Jordan of Ohio, a leader in the conservative House Freedom Caucus. Once it gets through the House, the budget would still have to go through the Senate, where Republicans have learned the hard way that their majority is quite fragile.

"All we're saying is: Show us the bill."

Black's proposal calls for a spending level of \$621.5 billion for

defense in fiscal 2018 and \$511 billion for non-defense programs. Like previous Republican proposals, it would eliminate the federal deficit in 10 years under the party's projections. But rank-and-file lawmakers are divided over an extra \$200 billion in cuts to mandatory spending accounts—which include Medicare, Medicaid, and food stamps—that would help accommodate the tax cuts Republicans want to enact. Moderates in the Tuesday Group protested the cuts on the grounds that regardless of the budget proposal, Republicans would ultimately need to strike a deal with Democrats in the Senate to fund the government for the next year. "Absent such a bipartisan, bicameral agreement, we are reticent to support any budget resolution on the House floor," a group of 20 moderates wrote in a letter to the leadership in late June.

Conservatives in the House Freedom Caucus, meanwhile, want even deeper mandatory spending cuts and a commitment that they will go toward trimming back welfare programs. With moderates already balking, however, Republican leaders are unlikely to go much further. "That number is not changing," a senior GOP aide told me. "The choice is not between \$200 billion and \$500 billion. It's between \$200 billion and zero."

Another demand from the Freedom Caucus points to a bigger potential problem for Ryan and his lieutenants—a lingering mistrust between conservatives and the leadership that was exacerbated by the contentious debate over repealing Obamacare. They want to see the tax-reform proposal before voting for the budget that would allow it to move forward. "At a minimum, we've got to know more than we know now," Jordan told me in a phone interview. "Once you open up the door, you can't close it. So you'd kind of like to know what's on the other side before you open it."

"We tried this with health-care reform," he continued. "The plan that we thought we were going to do was not the plan that was undertaken, and look what's happened."

"We just don't want some surprise popping in there," added Representative Dave Brat, a Virginia conservative.

Jordan and other conservatives scored a victory last month when Ryan agreed, in a joint statement with Senate and White House negotiators, to set aside his push for a border-adjustment tax that would help pay for cuts to the individual and corporate rates. But Jordan is worried that GOP leaders will propose other taxes as a means of offsetting rate cuts that they don't believe are necessary. "All we're saying is: Show us the bill," he said.

"We have an eternal conflict within ourselves. I think that's going to be very difficult to get done."

Right now, the bill doesn't exist. Negotiators released only a five-paragraph statement of principles before the congressional recess and are working on writing legislative language this month. But while the White House wants the House to begin marking up a bill right after Labor Day, there is little expectation it'll be ready that quickly and leaders on the House Ways and Means Committee have notably set no timetable for finishing their work beyond saying it'll get done this year. Another option for House leaders is to abandon the full budget altogether and do what they did on health care: pass a stripped-down "shell" budget that merely contains instructions for tax reform and sets aside other policy issues. "Everyone wants to get a real budget. We're not entertaining that option yet," a senior GOP aide told me.

The irony is that among Republicans, conservatives are the most invested in the reconciliation process that they are, for the time being, holding up. GOP leaders could skip right to tax reform without a budget, but then they'd need 60 votes in the Senate and Democratic support. That would move the bill further to the left, meaning conservatives would not get nearly the level of tax cuts they want, and certainly no spending cuts. In the Senate, a vast majority of Democrats have told Trump and Republican leaders that, unlike on their drive to repeal Obamacare, they would be willing to collaborate on tax reform as long as the bill benefits the middle class more than the wealthy and does not add to the deficit. But Majority Leader Mitch McConnell quickly rejected their entreaty, saying Republicans would pursue the party-line reconciliation process instead. "I don't think this is

going to be 1986, when you had a bipartisan effort to scrub the code," McConnell told reporters.

For moderates who blame the failure of health-care legislation on the GOP's partisan approach, those words were already a worrisome sign. "I've always thought that going

down the path of Republican-only type of tax reform, to me, is not the wisest course to take nor is it the best course to take for America," Representative Tom Reed of New York said in an interview. "I've expressed that opinion. Obviously my opinion has not won out."

An early endorser and ally of Trump, Reed said he'd nonetheless support the House budget despite his concerns both about the reconciliation process and its \$200 billion in mandatory spending cuts. But he did not sound confident that his party's next major legislative

push would be any more successful than its last. "We have an eternal conflict within ourselves," Reed told me. "I think that's going to be very difficult to get done."



Editorial : Trump Embraces a Senseless Immigration Proposal

President Trump has endorsed legislation that would slash legal immigration by half, mainly by cutting the number of visas granted to relatives of citizens, while favoring people who speak English and have advanced degrees. The bill, which would do nothing to solve the country's immigration and economic challenges, is unlikely to become law. The only way to understand Mr. Trump's vocal support of an obvious turkey is as yet another attempt to energize his dwindling base of right-wing and nativist supporters.

The bill was introduced by two Republican senators, Tom Cotton of Arkansas and David Perdue of Georgia, who say it will protect American workers from competition from low-skilled foreign workers. Right now, the government issues more than a million green cards every year, most of them to relatives of citizens. A smaller number, 140,000, are provided on the basis of job skills.

The proposal would slash the total number of green cards issued by 41

percent in the first year and by 50 percent in the 10th year, with most of the cuts coming from family-based immigration. It would cap the number of refugees admitted every year and eliminate a program that provides green cards via lottery to people from countries that send few immigrants to the United States. The bill would not reduce employment-based green cards, but it would change how the recipients are selected by putting in place a points-based system that rewards people who speak English and have advanced degrees and work experience.

The issue of immigration in America is volatile and complex and thus vulnerable to seductive promises. This bill falls into that category. Its central premise — that it would help American workers — is false. It's true that an influx of workers can cause short-term disruptions to the labor market, but the impact on the wages of native workers over a period of 10 years or more is "very small," according to a comprehensive National Academies of Sciences, Engineering and Medicine report published last year.

Moreover, as studies have repeatedly shown, immigration boosts productivity and economic growth; restricting it would have the opposite effect. Growth is determined by the changes in productivity — how much each worker produces — and the size of the work force. Productivity in recent decades has been growing more slowly than in the past for reasons that economists do not fully understand. The labor force is also growing slowly as baby boomers retire. Restricting immigration would reinforce both trends.

Mr. Trump and the senators behind this bill seem to believe that immigrants who are admitted to America because they have family ties possess few skills and are of little value to the country. That's simply not so. About 41 percent of legal immigrants, the large majority of whom are relatives of citizens, have at least a bachelor's degree, according to a 2015 Pew Research Center report.

Hostility to immigration was a pillar of Mr. Trump's presidential campaign, and he has surrounded

himself with like-minded officials, so it's no surprise that he likes this bill. But it is a bridge too far for Republicans like Senators Lindsey Graham of South Carolina and Ron Johnson of Wisconsin, which makes it unlikely to go anywhere. The right approach to immigration reform would be bipartisan and comprehensive. It would include stronger enforcement, better worker protections and a pathway to citizenship for the country's 11 million unauthorized immigrants.

A Quinnipiac poll released last week showed the president's job approval ratings at a new low, even among demographic groups that make up his base. About 61 percent of voters disapproved of the way Mr. Trump was doing his job, including half of whites without a college degree. Mr. Trump's recent messages opposing transgender people in the armed forces and encouraging aggressive behavior by the police have been seen as efforts to recapture that base. His support for this immigration bill is more of the same.



Trump proposal a good start on immigration

Alice Stewart is a CNN Political Commentator and former Communications Director for Ted Cruz for President. The views expressed in this commentary are solely hers.

New proposed legislation has shifted the heated immigration debate from discussion of a southern border wall that Mexico was never going to pay for to the Statue of Liberty, and more fundamentally to what our nation stands for. President Donald Trump, along with Sens. Tom Cotton, R-Arkansas, and David Perdue, R-Georgia,

announced details this week

of the Reforming American Immigration for Strong Employment (RAISE) Act, a plan to slash legal immigration into the United States. Critics argue this flies in the face of Lady Liberty, which serves as a beacon of hope to immigrants arriving from abroad.

The RAISE Act aims to reduce the number of low-skilled immigrants who are allotted green cards by 50% and would replace the current employment-based system with a merit-based system grading possible immigrants according to specifics such as education, English-language ability, high-paying job offers, and age.

Democrats in Congress dismissed the policy as shameful, disgusting and emblematic of naked intolerance in the White House.

CNN's Jim Acosta questioned White House Senior Policy Adviser Stephen Miller about the policy, invoking "The New Colossus," the poem inscribed on the Statue of Liberty. Written in 1883, it

reads in part

, "Give me your tired, your poor, your huddled masses, yearning to breathe free."

Yes, America has an honorable tradition of taking in persecuted

people from across the world -- that's what the poem on the Statue of Liberty is all about. We still take in the persecuted under the Refugee Act of 1980, though the RAISE Act would limit the numbers of those admitted. The broader point is this: the RAISE act is not about refugees; it's about immigrants seeking green cards.

But our policymakers cannot ignore the reality: legal immigration numbers have shot past historical levels. Liberal elites argue that we should continue to take in the world's poor like we always have; anything less is discriminatory. The problem is that everyone wants to come to the United States. When we have too many people coming into this country who fit the low-skill profile,

that hurts

low-income, blue-collar people who already live here.

According to

figures from the Department of Homeland Security

, over one million immigrants were accepted into the United States for legal permanent residency last year; many are low or unskilled workers or working in low-skilled jobs. And

according to the White House

, more than 50% of all immigrant households receive welfare benefits, compared with only 30% of native households in the United States that receive welfare benefits. Although

those numbers have been disputed

by some, the ultimate goal of the RAISE Act is to get more immigrants here who do not have to rely on welfare and who contribute positively to our economy -- and

polling data

shows that one third of Americans favor an overall reduction in immigration.

Our immigration system should attract young and highly skilled people, those who can integrate into American society most effectively, and focus on uniting immediate families, as opposed to extended family members.

I was born and raised in Sen. Perdue's state of Georgia and lived the last 17 years in Sen. Cotton's state of Arkansas. I have seen what they see: everyday Americans who want to work hard, build wealth, and achieve the American dream. The

RAISE Act helps make that possible.

Immigration is not an entitlement; it's based on hard-fought, well-debated policy. It's time we decide what's best for America today, not

what a poem from the late 19th century tells us.

**The
New York
Times**

Under Trump, Coal Mining Gets New Life on U.S. Lands (UNE)

Eric Lipton and
Barry Meier

DECKER, Mont. — The Trump administration is wading into one of the oldest and most contentious debates in the West by encouraging more coal mining on lands owned by the federal government. It is part of an aggressive push to both invigorate the struggling American coal industry and more broadly exploit commercial opportunities on public lands.

The intervention has roiled conservationists and many Democrats, exposing deep divisions about how best to manage the 643 million acres of federally owned land — most of which is in the West — an area more than six times the size of California. Not since the so-called Sagebrush Rebellion during the Reagan administration have companies and individuals with economic interests in the lands, mining companies among them, held such a strong upper hand.

Clouds of dust blew across the horizon one recent summer evening as a crane taller than the Statue of Liberty ripped apart walls of a canyon dug deep into the public lands here in the Powder River Basin, the nation's most productive coal mining region. The mine pushes right up against a reservoir, exposing the kind of conflicts and concerns the new approach has sparked.

"If we don't have good water, we can't do anything," said Art Hayes, a cattle rancher who worries that more mining would foul a supply that generations of ranchers have relied upon.

During the Obama administration, the Interior Department seized on the issue of climate change and temporarily banned new coal leases on public lands as it examined the consequences for the environment. The Obama administration also drew protests from major mining companies by ordering them to pay higher royalties to the government.

President Trump, along with roundly questioning climate change, has moved quickly to wipe out those measures with the support of coal companies and other commercial interests. Separately, Mr. Trump's Interior Department is drawing up plans to reduce wilderness and

historic areas that are now protected as national monuments, creating even more opportunities for profit.

Richard Reavey, the head of government relations for Cloud Peak Energy, which operates a strip mine here that sends coal to the Midwest and increasingly to coal-burning power plants in Asia said Mr. Trump's change of course was meant to correct wrongs of the past.

The Obama administration, he said, had become intent on killing the coal industry, and had used federal lands as a cudgel to restrict exports. The only avenues of growth currently, given the shutdown of so many coal-burning power plants in the United States, are markets overseas.

"Their goal, in collusion with the environmentalists, was to drive us out of the export business," Mr. Reavey said.

Even with the moves so far, the prospect of coal companies operating in a big way on federal land — and for any major job growth — is dim, in part because environmentalists have blocked construction of a coal export terminal, and there is limited capacity at the port the companies use in Vancouver.

Competition from other global suppliers offering coal to Asian power plants is also intense.

But at least for now, coal production and exports are rising in the Powder River Basin after a major decline last year.

Western Coal

The majority of United States coal is produced in the West, with a small share of it then exported. About 85 percent of coal extracted from federal lands comes from the Powder River Basin, in Wyoming and Montana. The Trump administration is rolling back an Obama-era moratorium on new coal leases on federal lands.

Opponents of the Trump administration's direction have already gone to court. New Mexico and California sued in April to undo the rollback in royalties that coal mines pay, while ranchers like Mr. Hayes and the Cheyenne tribe joined a lawsuit in March

challenging the repeal of a year-old moratorium on federal coal leasing.

"If we hand over control of these lands to a narrow range of special interests, we lose an iconic part of the country — and the West's identity," said Chris Saeger, executive director of the Montana-based environmental group Western Values Project, referring to coal mining and oil and gas drilling that the Interior Department is moving to rapidly expand.

Mr. Trump's point man is Ryan Zinke, a native Montanan who rode a horse to work on his first day as head of the Interior Department. A former member of the Navy SEALs and Republican congressman, Mr. Zinke oversees the national park system, as well as the Bureau of Land Management, which controls 250 million acres nationwide, parts of which are used to produce oil, gas, coal, lumber and hay.

In late June, Mr. Zinke visited Whitefish, Mont., to attend a meeting of Western governors, where he vowed to find a balance between extracting commodities from federal lands and protecting them.

"Our greatest treasures are public lands," Mr. Zinke said in a speech. "It is not a partisan issue. It is an American issue."

Afterward, protesters from the Sierra Club and other groups held a rally in the town square against the actions taken by Mr. Zinke during his first months on the job, chanting "Shame!" and "Liar!" and carrying signs opposing his policies.

But Mr. Zinke was not in public view. Just before the rally started, he was inside a nearby building, meeting with Bill Cadman, a vice president of Whiting Petroleum, a company that drills on federal lands.

Until recently a state legislator in Colorado, Mr. Cadman has lobbied the Interior Department to repeal a rule that limits methane emissions from oil and gas sites on federal land. As he left the brief gathering, Mr. Cadman said he was only catching up with Mr. Zinke, whom he has known for decades, on family-related matters. He also acknowledged that Mr. Zinke wielded a lot of power over the energy industry.

"We are all affected by this constant regulatory quagmire," Mr. Cadman said.

Seeing a Liberal Attack

Cloud Peak Energy had been preparing for several years to seize upon the arrival of an industry-friendly administration in Washington. But it was also prepared to fight without one.

At a gathering of a coal industry trade group in 2015, Mr. Reavey, the company's chief lobbyist, left no doubts about the company's determination to defend mining in the Powder River Basin, which includes operations here in Decker.

Mr. Reavey likened the industry's existential crisis to that of tobacco companies in the 1990s. The coal industry, he told executives, had been targeted by a liberal conspiracy of environmental groups, news organizations and regulators. Coal would suffer the same fate as cigarettes, he warned, unless the industry stood its ground.

He showed a PowerPoint slide that outlined the strategy of the industry's opponents. They sought to diminish coal's "social acceptability," the slide showed, while also cutting "profits through massive increase in regulation" and reduced "demand/market access." He equated the situation to a scene in the film "Independence Day" in which the American president asks the alien invaders, "What is it you want us to do?" An alien replies, "Die."

During President Barack Obama's second term, the coal industry's chief antagonist was Sally Jewell, a former oil industry engineer appointed Interior secretary in 2013. Ms. Jewell, an avid hiker, had also served as chief executive of the outdoor gear company REI.

She saw mining companies as a particular problem because they too often left behind polluted mine pits and paid too little for coal leases on federal land.

Starting two years ago, Ms. Jewell took a series of steps to change the relationship between coal companies and the federal government. She imposed a moratorium on new federal coal leases while beginning a three-year study of the industry's

environmental consequences. More than 40 percent of all coal mined in the United States comes from federal land, and when burned it generates roughly 10 percent of the country's total greenhouse gas emissions.

In addition, she called for greater transparency in the awarding of coal leases, and she backed an increase in the royalty payments made to operate coal mines on public lands.

"The corruption in the coal sector is just so rampant," she said in an interview.

A central problem, she said, was the lack of competitive bidding for mining leases: Only 11 of the 107 sales of federal coal leases between 1990 and 2012 received more than one bid, according to a report by the Government Accountability Office. A second study, by a nonprofit think tank, estimated that the practice had shortchanged taxpayers tens of billions of dollars.

Another hot-button issue was how much to charge in royalties, which generate about \$1 billion a year for the federal government.

Under federal rules adopted in 1920, coal companies are required to pay "not less than" 12.5 percent on sales of surface coal mined on federal lands. But for years, studies indicate, the companies paid far less — as little as 2.5 percent of the ultimate sale price — because they often negotiated large royalty discounts with sympathetic federal officials. Companies also often sell coal first to a corporate affiliate at a sharply reduced price, before reselling it to the intended customer, costing the government a chunk of its royalties, according to the Government Accountability Office study. The technique was particularly popular among mines with foreign buyers.

To eliminate the loophole, the Interior Department adopted a rule last year requiring that the payment be calculated on the first arm's length transaction, meaning sales to corporate affiliates would not count. Such a change would be a blow to the bottom lines of companies mining in the Powder River Basin, which accounts for about 85 percent of all coal extracted from federal lands, with a growing share headed to Asia.

The coal industry was bent on killing the rule, sending executives to plead its case to the White House and filing a federal lawsuit to block it. "They are liars, and they know it," Mr. Reavey, the Cloud Peak lobbyist, said of those who suggested the industry was not paying its fair share in royalties.

Mr. Zinke, then a freshman congressman from Montana, stepped up as an important industry ally, trying unsuccessfully to derail the rule on at least four occasions. He raised objections during a budget hearing with Ms. Jewell at the witness table, signed two letters in opposition and sought to introduce language in a House appropriations bill to prohibit the agency from enforcing the rule.

The alliance between Mr. Zinke and the coal industry is well documented in his campaign finance disclosures.

Elected to the House in 2014, Mr. Zinke received \$14,000 in campaign donations from the company that owns BNSF Railway, the chief transporter of coal in the Powder River Basin, as well as a total of \$26,000 from Cloud Peak, Arch Coal and Alpha Natural Resources, three of the nation's largest coal companies. Several of the donations arrived just as Mr. Zinke pushed in Congress to block the new royalty rule, campaign finance records show.

Finishing the Job

What Representative Zinke started, Secretary Zinke and his team were poised to finish.

In February, even before the Senate confirmed Mr. Zinke to his new post, Mr. Reavey of Cloud Peak was meeting at the Interior Department headquarters in Washington with President Trump's political appointees. Among them was Kathy Benedetto, who was temporarily overseeing the division in charge of coal leases.

"We made clear that we thought this rule was bad and they had an opportunity to stop this process from going forward," he said of the change in royalty payments.

Cloud Peak and other mining industry giants also put their objections in writing, asking the department to delay the rule until the industry's lawsuit was resolved. Within days, they got their wish. The agency, reversing its position during the Obama presidency, froze the rule and told Cloud Peak and other industry lawyers that they had "raised legitimate questions."

By late March, after Mr. Zinke was sworn in, the rollback continued. Mr. Zinke repealed Ms. Jewell's moratorium on new coal leases, and canceled further work on the study she had ordered. The first part — 1,378 pages examining 306 active federal coal leases — had been issued in January.

"Costly and unnecessary," Mr. Zinke said in announcing that the study

was, in essence, being thrown in the trash.

The decisions caused an uproar among Democrats in Washington, but the tensions they unleashed were also on display this summer at an extreme sporting event on the Crow Indian reservation, not far from the coal mines here in Decker.

Hundreds of people, including members of both the Crow and neighboring Cheyenne tribes, had gathered for an annual competition known as the Ultimate Warrior. The event consists of a mile run to a river, a mile of canoeing, seven more miles of running and then a nine-mile bareback horse race.

Cloud Peak is a sponsor of the event. In 2013, the Crow had signed an agreement giving the company the right to extract up to 1.4 billion tons of coal on the tribe's lands. The industry-friendly approach of the Trump administration had leaders feeling optimistic that Cloud Peak would move forward, as the project still needs many permits from the federal government.

The tribe estimates the Cloud Peak operations could generate \$10 million in payments for a community where the unemployment rate in June was 19.4 percent, five times the state average. "Coal, for us, is the ticket to prosperity," said Shawn Backbone, the tribe's vice secretary, who attended the warrior competition. "We are rich in coal reserves. But we are cash poor."

But the Cheyenne are not happy. They have historically opposed coal mining and worry Cloud Peak's expansion would irrevocably damage the environment. They have joined the lawsuit by the nearby rancher, Mr. Hayes, challenging the decision to lift the moratorium on new coal leases.

"We are wealthy in life here," said Donna Fisher, a Cheyenne who lives along the Tongue River and who attended the warrior competition with her grandson. "We don't have money. But we have land, water and air. Snuff that out and we are gone."

Friends in High Places

As he walked on stage at the governor's gathering in Whitefish, Mr. Zinke exuded confidence. The United States, he argued, can and should expand energy production from its federal lands, with money earned from leases going toward repairs to roads and bridges, and at national parks.

"As Interior secretary, I am looking at both sides of our balance sheet," Mr. Zinke said. "There is a consequence of not using some of

our public land for the creation of wealth and jobs."

It was a decidedly familiar venue, and Mr. Zinke was relaxed. Whitefish is where he played guard on the high school football team and where as a Boy Scout he had built a rope-and-pole footbridge over the river.

"I think I am probably the only person who has played trombone on this stage," he joked in his opening remarks.

The top sponsors of the event were familiar, too. They included Anadarko Petroleum and BP, oil and gas companies, as well as Barrick Gold and Newmont, mining companies. BNSF, the railroad, was also represented, as were major coal-burning utilities like Southern Company.

Most of them had a keen interest in the Interior Department and Mr. Zinke's new stewardship of it. Barrick's Cortez mine, for example, has a pending application to expand open pit mining in Nevada, while Newmont is seeking approval for the environmental cleanup of a Nevada mine.

Conrad Anker, a mountaineer and author, took the stage after Mr. Zinke. He said in an interview that organizers had instructed him not to mention climate change, or its effect on the glaciers at Glacier National Park. According to a federal study, the glaciers have lost as much as 85 percent of their mass over the past 50 years.

There was no such restraint on the nearby town square, where protesters flashed signs with slogans like "Zinke Sells Soul to Big Oil" and "What Would Teddy Do?" — a reference to Mr. Zinke's statements that he admired President Theodore Roosevelt, a conservationist who helped set aside millions of acres as public land.

Next to the square, at a pizza restaurant, a once-powerful Washington couple reflected on the frustration of those opposed to the administration's new direction.

Jennifer Palmieri, a senior adviser in the Obama White House and later a top campaign aide to Hillary Clinton, was eating with her husband, Jim Lyons, an Interior official during Mr. Obama's second term.

Both had expected senior administration roles had Mrs. Clinton won. Now, Mr. Lyons was in Whitefish trying to salvage the rules on oil, gas and coal that he had helped develop just a few years ago. He was holding sessions with

governors hoping to enlist them to pressure Mr. Zinke and others.

"Instead of driving change, we are searching for ways to continue to be

an influence," Mr. Lyons said. "Frustration is an understatement."

**The
New York
Times**

Krugman : What's Next for Progressives?

For now, at least, the attempt to repeal the Affordable Care Act appears dead. Sabotage by a spiteful Trump administration is still a risk, but there is — gasp! — a bipartisan push to limit the damage, with Democrats who want to preserve recent gains allying with Republicans who fear that the public will blame them for declining coverage and rising premiums.

This represents a huge victory for progressives, who did a startlingly good job of marshaling facts, mobilizing public opinion, and pressuring politicians to stand their ground. But where do they go from here? If Democrats regain control of Congress and the White House, what will they do with the opportunity?

Well, some progressives — by and large people who supported Bernie Sanders in the primaries — are already trying to revive one of his signature proposals: expanding Medicare to cover everyone. Some even want to make support for single-payer a litmus test for Democratic candidates.

So it's time for a little pushback. A commitment to universal health coverage — bringing in the people currently falling through Obamacare's cracks — should definitely be a litmus test. But single-payer, while it has many virtues, isn't the only way to get there; it would be much harder

politically than its advocates acknowledge; and there are more important priorities.

The key point to understand about universal coverage is that we know a lot about what it takes, because every other wealthy country has it. How do they do it? Actually, lots of different ways.

Look at the latest report by the nonpartisan Commonwealth Fund, comparing health care performance among advanced nations. America is at the bottom; the top three performers are Britain, Australia, and the Netherlands. And the thing is, these three leaders have very different systems.

Britain has true socialized medicine: The government provides health care directly through the National Health Service. Australia has a single-payer system, basically Medicare for All — it's even called Medicare. But the Dutch have what we might call Obamacare done right: individuals are required to buy coverage from regulated private insurers, with subsidies to help them afford the premiums.

And the Dutch system works, which suggests that a lot could be accomplished via incremental improvements in the A.C.A., rather than radical change. Further evidence for this view is how relatively well Obamacare, imperfect as it is, already works in states that try to make it work — did

you know that only 5.4 percent of New Yorkers are now uninsured?

Meanwhile, the political logic that led to Obamacare rather than Medicare for all still applies.

It's not just about paying off the insurance industry, although getting insurers to buy in to health reform wasn't foolish, and arguably helped save the A.C.A.: At a crucial moment America's Health Insurance Plans, the industry lobbying organization, and Blue Cross Blue Shield intervened to denounce Republican plans.

A far more important consideration is minimizing disruption to the 156 million people who currently get insurance through their employers, and are largely satisfied with their coverage. Moving to single-payer would mean taking away this coverage and imposing new taxes; to make it fly politically you'd have to convince most of these people both that they would save more in premiums than they pay in additional taxes, and that their new coverage would be just as good as the old.

This might in fact be true, but it would be one heck of a hard sell. Is this really where progressives want to spend their political capital?

What would I do instead? I'd enhance the A.C.A., not replace it, although I would strongly support reintroducing some form of public option — a way for people to buy

into public insurance — that could eventually lead to single-payer.

Meanwhile, progressives should move beyond health care and focus on other holes in the U.S. safety net.

When you compare the U.S. social welfare system with those of other wealthy countries, what really stands out now is our neglect of children. Other countries provide new parents with extensive paid leave, provide high-quality, subsidized day care for children with working parents and make pre-K available to everyone or almost everyone; we do none of these things. Our spending on families is a third of the advanced-country average, putting us down there with Mexico and Turkey.

So if it were up to me, I'd talk about improving the A.C.A., not ripping it up and starting over, while opening up a new progressive front on child care.

I have nothing against single-payer; it's what I'd support if we were starting fresh. But we aren't: Getting there from here would be very hard, and might not accomplish much more than a more modest, incremental approach. Even idealists need to set priorities, and Medicare-for-all shouldn't be at the top of the list.

**The
New York
Times**

Editorial : Trying to Make America a Little Better

One of the few practical job-building promises of the Trump presidential campaign — a \$1 trillion investment in repairing the nation's crumbling infrastructure — is turning out to be as hollow as a pothole. Mr. Trump's vow to push for passage of the plan in the first 100 days of his presidency is sliding off the calendar amid the daily chaos of his incumbency and the Republican obsession with crippling Obamacare.

Infrastructure repair should be a bipartisan no-brainer. But Republican lawmakers now concede that a fully detailed plan might not surface from the administration until next year, if ever. The White House heightened the sense of flatlining last month in announcing creation of a 15-member infrastructure study commission that will have until the

end of 2018 to work on advisory proposals.

While Congress has refused to raise the federal gasoline tax since 1993, depleting the Highway Trust Fund as a basic resource for road repairs, states and cities have been raising local gas taxes and approving initiatives to face transportation problems. But these are far short of the full need.

In the last four years, 24 states have raised gas taxes to generate infrastructure revenue, led this year by California's enactment of a 12-cents-a-gallon state tax increase — the first since 1989 — to finance a 10-year, \$54 billion transportation plan. Far from futuristic, the plan would devote most of the money to repair 17,000 miles of existing roads and 500 bridges.

Voters in 23 states passed \$225 billion worth of transportation

initiatives last year, accepting 55 of 77 proposals. Some states, like Connecticut and Washington, are pursuing multiyear transportation initiatives. But many are pulling back from ambitious plans, awaiting word from Washington. In February, the National Governors Association forwarded a list of 428 "shovel ready" projects to the Trump administration, but no new federal money has materialized, and the states stress that they can't afford to pick up the difference.

In fact, there has been a falling trend in the states' investment in infrastructure as a share of the nation's gross domestic product, falling from 3 percent in the 1960s to about 2 percent recently, according to the Center on Budget and Policy Priorities.

State officials warn they are attempting little more than emergency action for past neglect

and cannot tackle the full challenge without serious federal support. "At a time when Americans need Washington to accelerate investment in our future, the administration is throwing the gear into reverse," the mayor of Los Angeles, Eric Garcetti, told Bloomberg News.

Clearly, major federal support is needed beyond state and local efforts, if the nation's eroding infrastructure is to be modernized.

The American Society of Civil Engineers' latest alarming grade for the nation's infrastructure is a D+, with an estimated \$4.6 trillion needed for repairs. Federal data show infrastructure investment by federal and state governments dropped about 50 percent during the recession to a real-dollar level comparable to the 1950s, according to a Market Watch report.

"So even though the economy is about six times larger than it was in 1955," the report noted, "We are investing no more in our critical infrastructure today than our grandparents did." The challenge begs for the bipartisanship currently shunned by Republican congressional leaders. Mr. Trump's promise of "millions" of jobs in a repair plan "second to none" has fast faded into a campaign fantasy.