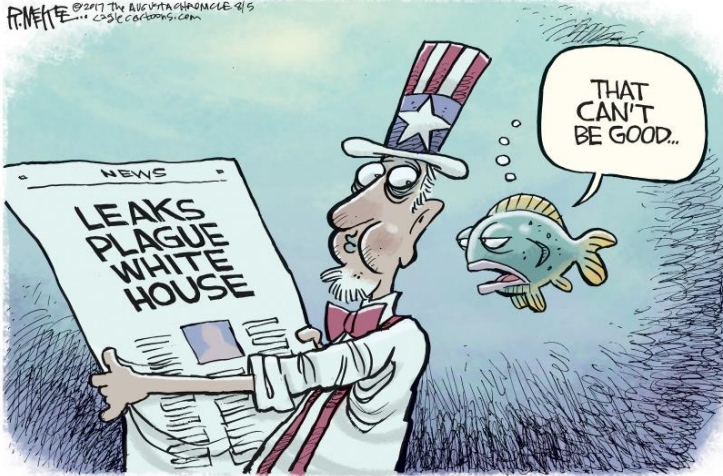


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FRANCE - EUROPE 2

In Macron's France Helping Illegal Migrants Is a Crime, and One Farmer Is Paying the Price	2
When Britain and France Almost Merged Into One Country	2
Iran Reaches Deal With Renault Despite New U.S. Sanctions.....	3
Tainted Eggs Prompt Scare in Europe	3
Brexit's Dunkirk Fantasyland.....	4
Faced With Brexit Questions, Firms Hold Off on U.K. Investment.....	4
German Industry Misses a Beat but Economy Looks Strong.....	5
Angela Merkel Is Hurting German Democracy	6
Cleaving to the Medieval, Journeymen Ply Their Trades in Europe (UNE).....	7

INTERNATIONAL..... 8

U.N. Backs Inquiry on Syria After Departure	8
Bennett : Iran Is Using Syria to Advance Toward the Mediterranean	8
Gray : Mueller Can Avoid an Iran-Contra Repeat.....	9
Jordan's King, Spurred by Jerusalem Mosque Crisis, Meets With Palestinian Leader	9
U.S., Russia Must 'Deal With' Conflict, Tillerson Says	10
Bershidsky : Why Shirtless Putin Is Having the Last Laugh	10
Editorial : Bearing up: How the US deters Russia.....	11

North Korea says it won't give up nuclear weapons and that entire U.S. mainland is within firing range (UNE).....	11
Editorial : The U.N. has placed more sanctions on North Korea. That's not enough.....	12
How to Learn to Live With a Nuclear North Korea.....	13
Trump's North Korea strategy: A lot like Obama's.....	14
North Korea Says It Would Use Nukes Only Against U.S. (UNE).....	15
North Korea Rails Against New Sanctions. Whether They Will Work Is Unclear. (UNE).....	16
North Korea Sanctions Meet Skepticism in Southeast Asia	17
Editorial : The Latest North Korean Sanctions Show ...	17
Will Trump's hardball tactics work on China and North Korea?	17
China's ready for war — against the U.S. if necessary .	18
Raid on Venezuelan Base Got Help From Active Officers.....	19
McGurn : Speak for Venezuela, Pope Francis	19
Obama Weighs In on Kenyan Election, Urging Calm ..	20
Zuma to Face No-Confidence Vote, This Time by Secret Ballot.....	21
Gerson : Rex Tillerson is a huge disappointment	21

ETATS-UNIS..... 22

Editorial : Actually, Republicans Are Standing Up to Trump.....	22
Milbank : Trump finally starts winning — by copying Obama	22
Trump 'working vacation' draws scrutiny	23
Mead : Immigration Anxieties, Then and Now.....	24
Fox : The Past, Present and Future of U.S. Immigration	24
Trump Likes When C.I.A. Chief Gets Political, but Officers Are Wary (UNE).....	25
White House reviewing new report that finds strong link between climate change, human activity	26
Government Report Finds Drastic Impact of Climate Change on U.S. (UNE).....	27
Editorial : EPA Resignation Facts.....	28
Washington dysfunction fuels uncertainty for businesses (UNE).....	28
Editorial : What Real Tax Reform Could Be	29

FRANCE - EUROPE

Newsweek

In Macron's France Helping Illegal Migrants Is a Crime, and One Farmer Is Paying the Price

By Josh Lowe On 8/8/17 at 6:25 AM

A French farmer who helped smuggle migrants across the border from Italy was handed a four-month suspended jail sentence on Tuesday.

Cédric Herrou hid dozens of migrants in caravans on his farm in the Roya valley in south-east France, helping them to slip past police after they entered France.

He was handed a suspended 3000 euro (\$3543) fine in February, but prosecutors argued that this punishment was too lenient, the BBC reported.

Addressing reporters outside the court, Herrou said: "It's the role of a citizen in a democracy to act when the state is failing." A rally in support of his actions is planned by supporters for Tuesday, according to French media.

"I'd like the judiciary to recognise what's happening on the ground in the Roya valley, recognise these asylum seekers. What am I to do, really? Kick these people out?" Herrou added.

He had "no regrets," he said, and "I won't be stopped by threats—quite the opposite."

The farmer counts environmentalist MEP Jose Bove and the Socialist federation of the Alpes-Maritimes region among his backers. The French league of Human Rights released a statement denouncing the authorities who continue "to violate the rights of migrants and refugees."

Migration remains a hot political issue in France, as it does throughout much of continental Europe where recent years have seen hundreds of thousands of refugees and migrants washing up on southern shores after travelling from North Africa and the Middle East.

Many of those who arrive are from sub-Saharan Africa and often faced immense hardship before and during the crossing, but usually do not qualify for asylum unless they have faced persecution in their home country.

French President Emmanuel Macron is currently proposing a new system where France sets up registration points for would-be asylum seekers in Libya, meaning it can process claims before people make the crossing to Europe.

the Atlantic

When Britain and France Almost Merged Into One Country

Dominic Tierney

On June 16, 1940, with Nazi Germany on the brink of crushing France, British prime minister Winston Churchill and French undersecretary of defense Charles de Gaulle met for lunch at the Carlton Club in London. These two great symbols of patriotism and national independence made an incredible agreement: Britain and France should be united into a single country called the "Franco-British Union."

This was just two weeks after British and French troops were rescued from the beaches of Dunkirk, where they had become surrounded by German troops—a story captured in the new Christopher Nolan film *Dunkirk*. Although that battle story is fairly well known, the accompanying political drama that almost saw Britain and France merge is now largely forgotten. But the drama of that near-fusion can help explain the origins of European integration—and the reasons why Britain ultimately pulled away from the European Union in the decision we know as Brexit.

The scheme was born of crisis. On May 10, 1940, Germany had begun a relentless Blitzkrieg assault on France, and within a month, French resistance had largely collapsed. Defeatism was rife in France, and a dramatic step was needed to encourage the country to keep fighting from its colonies, and to stop

the French fleet from falling into German hands.

The plan that emerged—to unify Britain and France into a single state—was not entirely new: The idea of integrating the European countries had floated around political circles for a few years, but always seemed fantastical. Catastrophe was about to turn impossibility into official policy.

On June 14, German troops entered Paris. During the next 48 hours, British and French civil servants drafted a proposal for a "Declaration on Franco-British Union." This was no beefed-up wartime alliance, or a plan for partial integration similar to today's European Union. The goal was to effectively create one country. The document stated: "At this most fateful moment in the history of the modern world, the Governments of the United Kingdom and the French Republic make this declaration of indissoluble union and unyielding resolution in their common defense of justice and freedom against subjection to a system which reduces mankind to a life of robots and slaves." This meant: "France and Great Britain shall no longer be two nations, but one Franco-British Union."

At a stroke, hundreds of years of constitutional history would be swept away. There would be joint control of defense, foreign policy, finance, and economic policy. The two parliaments would be united, presumably with French

representatives sitting in the House of Commons in London. Churchill's private secretary said, "We had before us the bridge to a new world, the first elements of European or even World Federation."

Events moved fast. On June 16, Churchill was personally skeptical but presented the idea to the all-party British Cabinet. He was swept along by a wave of enthusiasm. "I was somewhat surprised," wrote Churchill, "to see the staid, solid, experienced politicians of all parties engage themselves so passionately in an immense design whose implications and consequences were not in any way thought out." Churchill put his doubts aside and told the Cabinet, "In this crisis we must not let ourselves be accused of lack of imagination."

Charles de Gaulle, who had arrived that morning in London, also had qualms about ending the country of France as he knew it. But de Gaulle embraced the plan as a grand move to change the course of history: "The gesture must be immediate."

At 4:30 pm, de Gaulle telephoned Paul Reynaud, the French prime minister, who had fled the advancing Germans, going from Paris to Tours and then Bordeaux. Reynaud listened to the proposal for a Franco-British Union with mounting excitement, as he scribbled down the details. Here lay possible salvation for France. According to one eyewitness, "His eyebrows went up so far they became

indistinguishable from his neatly brushed hair." Reynaud suddenly interrupted de Gaulle. "Does he agree to this? Did Churchill give you this personally?" De Gaulle handed the receiver to Churchill, who assured Reynaud that he approved. Reynaud was "transfigured with joy."

In London, Churchill boarded a train along with leaders of the major parties, ready for a rendezvous with destiny. The train would travel to the coast, and then the party would sail by ship to meet the French government and sign the Act of Union.

The train never left the station. The scheme collapsed as quickly as it arose. In the days prior to June 16, the French government had become consumed by defeatism, as well as anger at Britain for the perceived abandonment at Dunkirk (over 100,000 French troops had been rescued but thousands more were left behind on the beach, where they were forced to surrender to the Germans). Reynaud presented the proposal to the French Council of Ministers, but it was rejected as a British plot to seize the French empire. Marshal Pétain, 84 years old and the great hero of World War I, believed it was his duty to save France from total destruction and accept an armistice with Germany. Britain was doomed, he said, and union would be "fusion with a corpse." Another minister concluded: "Better be a Nazi province. At least we know what that means." Reynaud later wrote in his

memoirs, "Those who rose in indignation at the idea of union with our ally were the same individuals who were getting ready to bow and scrape to Hitler."

After hearing news of the French decision, Churchill left the train "with a heavy heart." He drove to Downing Street and got back to work. Within days, Pétain took over the French government and pursued an armistice with Germany. Britain was alone.

The Franco-British Union is an extraordinary near-miss of history. Defeatism struck the French government late but decisively. If Reynaud had proposed the idea a week, or even a few days, earlier, it might well have been accepted. And we can only guess at the consequences. The French might have kept fighting from their empire, with no Vichy regime. Britain and

France might have extended the offer of union to other exiled governments like Poland, Czechoslovakia, Belgium, or Holland—and created a United States of Europe. The war could have ended with three great powers: the USA, the Soviet Union, and the USE.

In the collapse of the Franco-British Union, we can discover the seeds of the European integration project. One of the civil servants who crafted the plan in 1940 was Jean Monnet, who would later become an architect of integration and be known as the "father of Europe." Monnet said, "Ideas do not die and if nations can come so close together in war, perhaps we can carry some fraction of that accord into the peace." The lesson that struck Monnet and other federalists with such force in 1940 would become even stronger after 1945. Only European integration

could overcome the catastrophe of nationalism and militarism, which delivered two world wars in a generation. And the story of the Franco-British Union also reveals another powerful reason for integration: threat. In 1940, the German menace convinced ardent nationalists like Churchill and de Gaulle to back the union idea. After 1945, the Soviet peril was a driving force behind the European project.

But events in 1940 also help explain why Britain was always ambivalent about joining the European project. During World War II, the Franco-British Union was quickly forgotten, and a new narrative emerged of heroic resistance. Surviving Dunkirk, winning the Battle of Britain, and enduring the Blitz created the narrative of an island nation fighting alone for freedom. Rather than look for union with a devastated continent, Britain's destiny lay West,

in a special relationship with the United States. Churchill told the French, "Whatever you may do, we shall fight on forever and ever and ever."

In 2016, as the British voted for Brexit, it was the spirit of Dunkirk that prevailed, not the torch of the Franco-British Union. The champions of Brexit claimed to be defending Churchill's legacy—even though Churchill had backed union with France. One Conservative Party minister wrote: "The spirit of Dunkirk will see us thrive outside the EU." The crisis of 1940 opened up the possibility for a bold plan to unite Europe against tyranny. But the evacuation at Dunkirk was soon recalled in Britain as a very literal attempt to escape the continent.

The New York Times

Gladstone

Iran Reaches Deal With Renault Despite New U.S. Sanctions

Thomas Erdbrink and Rick

TEHRAN — The French carmaker Renault signed a multimillion-dollar deal in Tehran on Monday, agreeing to raise vehicle production in Iran just days after President Trump signed into law new sanctions against the country.

The roughly \$780 million agreement to produce as many as 150,000 additional cars a year is the largest foreign auto deal in Iran's history, state-run PressTV said. It was a victory for President Hassan Rouhani, who was sworn into office on Saturday after being re-elected this year promising to revitalize an economy hurt by sanctions.

Iran, an Islamic republic, is increasingly attracting foreign investors, despite restrictions imposed by the United States over its missile program and its military activities in the region.

Its economy has limped along, surviving mainly on oil sales in recent years, with youth unemployment topping 40 percent and the state controlling many sectors. American restrictions stop most international banks from

providing financing or credit to Iran, and the country is cut off from international payments systems for using debit and credit cards.

On Wednesday, President Trump signed into law new sanctions against Iran, Russia and North Korea. It is unclear if the Renault deal violates any unilateral United States trade barriers still in place against business with Iran.

Still, the agreement to establish a joint venture with a government-run conglomerate is welcome news for Iran.

Renault has pledged to open two factories with Iranian partners.

One partner, the Industrial Development and Renovation Organization, a government conglomerate known as IDRO and which controls 117 companies, was long under sanctions by the United States and Europe which accused it of supporting Iran's missile program. Those sanctions were lifted under Iran's nuclear agreement with world powers last year, which allowed Renault and other foreign companies, including the American plane manufacturer Boeing, to do business with the country.

Officials of the Treasury Department, where the Office of Foreign Assets Control oversees the sanctions imposed on Iran, declined to comment. But the Industrial Development and Renovation Organization Company (IDRO) is listed on the Treasury Department's website as exempt from sanctions under the nuclear deal.

Sanctions lawyers in the United States said Renault's decision to proceed with the joint venture indicated it was confident that the nuclear deal would survive, despite the Trump administration's threats to withdraw from it.

Farhad Alavi, managing partner of the Akrivis Law Group in Washington, said Renault's decision also signaled that it had "likely undertaken a great deal of care to ensure that it is fully compliant."

Another major French carmaker, Groupe PSA, which produces brands like Peugeot and Citroën, has stepped up its activities in Iran since the lifting of the sanctions last year, while the French energy giant Total signed a deal with Tehran last month to lead a natural gas project.

But despite the various agreements, Iran remains a difficult and opaque

place to do business. Corruption is widespread, and political opposition to foreign investment can raise obstacles.

Renault said in a statement that the expansion would promote its brand in Iran. The carmaker sold an estimated 68,000 cars in Iran in the first six months of this year, more than doubling its sales compared with the period a year earlier. Renault said it now has about 10 percent of the Iranian market for autos.

The French company will hold a 60 percent share in the joint venture, according to Mansour Moazzami, the chairman of IDRO. The rest will be split evenly between the conglomerate and the other partner, Negin Khodro, a private company that represents Renault in Iran.

Last week, IDRO announced another joint venture, this time with Transmashholding, Russia's largest rail equipment supplier, to develop Iran's dilapidated railway system. As part of the \$2.5 billion deal, the Russian company will own 80 percent of the joint venture.

The New York Times

THE HAGUE — The European Union on Monday notified the food safety authorities in Britain, France, Sweden and Switzerland to be on the lookout for contamination in eggs after a food scare in Belgium, Germany and the Netherlands.

Tainted Eggs Prompt Scare in Europe

Christopher F. Schuetze

Anna-Kaisa Itkonen, a European Commission spokeswoman, said, "We do not know if the eggs are contaminated or not, but because of these notifications, it's now up to the national authorities to check."

The scare over contaminated eggs, which began in Belgium, has led supermarkets there and in Germany and the Netherlands to clear shelves

of the product as the crisis entered its third week.

The removal of eggs from shops was prompted by the discovery of the insecticide fipronil in some shipments. The contamination is thought to have been caused by the mixing of the insecticide with a cleaning agent used at chicken farms. The scare began July 19

when the government of Belgium said that fipronil had been found in eggs produced there.

Major supermarket chains in Belgium, including Delhaize and Colruyt, have stopped selling eggs from affected farms. In the Netherlands, one poultry producer declared bankruptcy on Friday as a

result of the insecticide scare, according to an industry group.

The Dutch consumer safety authority has published a guide on identifying the tainted eggs through a 10-digit serial number stamped on the shells. The country's biggest supermarket chain, Albert Heijn, stopped selling many eggs last week, but the company said that eggs were back on sale as normal on Monday. In the Netherlands, an

estimated nine million chickens from about 180 farms have been affected.

In Germany, the supermarket chain Aldi withdrew all eggs from sale after the authorities said that about three million eggs imported from the Netherlands had been affected. Since then, fipronil contamination has been found at four farms in the German state of Lower Saxony.

Fipronil is toxic in large quantities and can damage kidneys, liver and lymph glands. The Belgian and Dutch authorities are investigating how the contamination happened.

The Dutch poultry association said that farmers had no idea that cleaners were using the substance. Aalt den Herder, the group's secretary, said the risk had been overstated.

"It was never an issue of human health, it was an issue of consumer confidence," he said.

Rik Grashoff, a Dutch lawmaker and the agricultural spokesman for the Green party, said the contamination should "never have happened."



Brexit's Dunkirk Fantasyland

Emile Simpson

The most striking feature of Christopher Nolan's wonderful movie *Dunkirk* is that very little is said. Rather, the movie carries the audience through the depiction of the bare human experience of the evacuation of Allied forces from the beaches of northern France as Hitler's Wehrmacht closed in. Chaos. Fear. Duty. Despair. Relief. Survival. Sorrow. Pride.

Dunkirk also provides us with an insight into the cultural roots of Brexit, which rehearses the idea of a lost golden age before the United Kingdom joined the European Union — one strongly colored by the memory of World War II.

Dunkirk plays a key part in that memory. It marked the end of a catastrophic campaign in France, and the start of a dogged fight back. It gave us Churchill's immortal words, exclaimed to the House of Commons on the final day of the Dunkirk evacuation on June 4, 1940: "We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."

Nigel Farage, the king of Brexit, tweeted that he urged all young people to see *Dunkirk*. It is entirely fitting that younger Britons should act as the custodians of that memory, to be honored and passed on to the next generation. The summer of 1940, when Britain stood alone against Hitler, was indeed the country's finest hour in modern times: Never was so much owed by so many to so few.

But the past has its proper place. History anchors identity, but should not consume it. Like the movie, there is always a risk that a recollection of memory so heavily rooted in emotive experience becomes

detached from the story of what happened as a matter of fact: Like Orpheus, who descends into Hades attempting to bring his deceased wife Eurydice back to the world of the living, it is the desire to bring an idealized past back to life that tends to end in sorrow.

Take first Prime Minister Theresa May's claim that leaving the EU will allow Britain to once again become a "great, global trading nation," a call that harks back to the imperial world before 1945.

The historical reality was that for better or worse, World War II broke the British Empire, which was effectively mortgaged to pay for the vast costs of the conflict. The British Empire's trade zone was broken by a series of sterling crises in the 1960s and the politics of decolonization. The big cargo ships had all but disappeared from London's docks by the time the U.K. joined the EU's predecessor, the European Economic Community in 1973.

The U.K. that joined the European institution was on its knees, requiring an International Monetary Fund bailout in 1976. Against Labour Party opposition, the Conservative government that brought Britain into the EEC did so on the basis of free trade. It was none other than Margaret Thatcher who pushed to open up the European single market in the 1980s.

In short, the EU was the *answer* to the collapse of Britain as a great trading empire, not its *cause*. The argument that the most deeply integrated free trade area in the world is holding back free trade is ridiculous — look no further than Germany's huge success as an exporting nation.

But the promise of a return to a golden age is a powerful one, which trumps rational argument. Only in

this way can the leaders of Brexit, who are now in government, make these obviously contradictory claims: that Brexit is about even more free trade (that is, more globalization), but that it is simultaneously about returning to a simpler world with fewer immigrants and less exposure to low-cost overseas trading competitors (that is, less globalization).

Singapore on the Thames in England's green and pleasant land is a weird place, because it confuses the imperial and domestic dimensions of pre-1945 Britain. But that is the idyll to which the Brexiteers want to return, which neatly overlooks 1945 to 1973, years which weren't so great.

Beyond trade, the memory of World War II evokes a sense of national unity, symbolized in the "Dunkirk spirit," which can be taken to represent a cultural unity purportedly absent in modern Britain.

Beyond trade, the memory of World War II evokes a sense of national unity, symbolized in the "Dunkirk spirit," which can be taken to represent a cultural unity purportedly absent in modern Britain. This attitude is implicit in the claim that Brexit is about "stability" — as if 44 years of British EU membership has somehow disfigured an older and more genuine cultural stability that existed in pre-EU Britain.

This was not some peripheral part of May's pitch to be prime minister but central to it, and it remains at the core of her government's communication strategy. Thus, we hear over and over and over again that the government wants "stability," and an "orderly" Brexit, without "disruption" for individuals or companies.

There is an epic contradiction here. Either Brexit will be the radical change its proponents said it would be, or it won't. If it's the former, it will

be hugely disruptive to the existing state of affairs — that's exactly the point! If it's the latter, and the U.K. ends up in a sort of Norway model, in which it must follow EU rules with no say over them, there will be stability — but Brexit will simply have resulted in a unilateral relinquishing of power by the U.K. for no real change. One would wreak economic damage; the other would be politically unsustainable. Don't ask me for the way out of this mess; I did not ask for this.

In any case, we are left with the supposed government of stability carrying out Brexit, which is no less ludicrous than if Robespierre had gone around Paris wearing an "I love stability" T-shirt. And be in no doubt: The people masquerading as "conservatives" now running the Tory party are revolutionaries who dismiss anyone who doubts the purity of their project as unpatriotic. They rely on the idea of a return to a golden age to give the impression that they are preserving some sort of deep status quo, some deep cultural stability, rather than radically smashing up the past 44 years of Britain's relationship with the EU — which, for my money, has left the country better off than it was in 1973.

Ultimately, if the cultural roots of Brexit are reduced to one sentiment, it is that Britain did not win World War II to be run by Germany via Brussels. This is felt more by the older generation, who voted disproportionately for Brexit. It would be rebuked as xenophobic by many of us born well after 1945, including me, who voted disproportionately against Brexit; not to mention that this sentiment does not map onto the facts of how the EU actually works. But my generation did not survive Dunkirk, live through the Blitz, or experience the catharsis of victory in 1945.



Faced With Brexit Questions, Firms Hold Off on U.K. Investment

Wiktor Szary and Eric Sylvers

LONDON—As the clock ticks toward Britain's exit from the European Union, evidence is mounting that

companies are postponing investment plans in the U.K.

After investment fell last year for the first time since 2009, according to government figures, a series of

national surveys is finding that Brexit is weighing on business leaders' decision-making.

Britain has been gripped by political turmoil, as an electoral setback for Prime Minister Theresa May in June added further uncertainty about Britain's path out of the bloc as negotiations began over the terms of Britain's departure. Ministers have suggested the U.K. will seek a transition agreement to give businesses time to adapt, but have sent mixed signals on the shape of such a deal—keeping companies on edge.

Chancellor of the Exchequer Philip Hammond says uncertainty is giving companies pause. "It is absolutely clear businesses—where they have discretion over investment, where they can hold off—are doing so," he told the British Broadcasting Corp. in July.

"They are waiting for more clarity about what the future relationship with Europe will look like," he said.

Backers say it's too soon to gauge the impact of Britain's impending departure on business investment.

"The plural of anecdote is not data," said Andrew Lilico, a Brexit backer and the executive director of London-based consultancy Europe Economics. He acknowledged a drop in investment is likely to come but said new trade deals will eventually pay off.

The Bank of England on Thursday cut its previous forecast for 2017 business investment growth by 0.75 percentage points, to 1%, with next year's forecast revised down by half a percentage point, to 2.75%.

The bank's Gov. Mark Carney, who echoed Mr. Hammond's view, said that the level in investment in 2020 is forecast at 20% below the level projected just before the referendum.

In a recent survey of nearly 360 businesses, conducted by the Confederation of British Industry, 40% of them said their investment decisions had been affected by Brexit. Of those, practically all said

the impact had been negative.

"The prospect of multiple cliff edges—in tariffs, red tape and regulation—is already casting a long shadow over business decisions," Carolyn Fairbairn, the CBI's director general said in early July.

"The result is a drip, drip of investment decisions deferred or lost."

Companies aren't clamoring to announce shelved investments or to suggest business isn't going well.

But a large European engineering and electronics business recently shelved plans to build an innovation center in the U.K., Ms. Fairbairn said, without naming the company.

Another survey by Deloitte LLP, covering the second quarter of this year, also showed that business leaders' moods have soured. A third of chief financial officers surveyed said they expected their capital expenditure to decline over the next three years. Brexit risks were CFOs' top fear.

The British car industry, which exported 80% of the 1.7 million vehicles produced last year, has pulled back considerably, with investment in the first half of the year reaching only £322 million (\$419 million), according to industry lobby Society of Motor Manufacturers and Traders.

If that pace continues for the rest of the year, investment will be down 60% compared with 2016, itself down a third from 2015.

Big industry players, including Ford Motor Co., are looking for clarity on Britain's post-Brexit trading arrangements before they press on with their investment plans.

"We have significant investment decisions to make during the Brexit negotiating period," said Andrew McCall, Ford of Europe's vice-president for governmental affairs. "We are following the negotiations closely."

Paolo Pozzi, CEO of Agrati Group, an Italian maker of fasteners for the

car industry that supplies manufacturers in the U.K. including Volkswagen and Peugeot, said U.K. orders dropped 10% in the second quarter after years of double digit growth.

"There are different things going on, including a correction after a period of strong growth, but Brexit certainly isn't helping," said Mr. Pozzi.

Business reluctance to invest ahead of Britain's expected exit from the bloc in March 2019 is beginning to feed into official economic figures.

Business investment grew only moderately in the first three months of the year, expanding by 0.6% on the quarter, only partly offsetting the steeper fourth-quarter decline of 0.9%, data published by the Office for National Statistics showed. Preliminary second-quarter data will be published in late August.

In the whole of 2016—the year of the Brexit referendum and significant political upheaval—business investment shrank compared to the previous year for the first time since 2009.

That's unusual given U.K. companies' healthy profits and an unemployment rate of 4.5%, at its lowest in more than 40 years. Low unemployment normally encourages businesses to invest heavily in labor-saving capital projects.

Business investment should be "racing ahead" right now, said Samuel Tombs, chief U.K. economist at Pantheon Macroeconomics in London. Brexit uncertainty is likely the reason it isn't, he said.

Mr. Lilico said the official figures don't add up to material evidence of a Brexit-induced slowdown.

"There are lots of anecdotes about investment slowing down because of Brexit, but in aggregate, I don't think the figures particularly bear that out," he said.

However, some drop off in business investment specifically because of Brexit is likely to materialize later this year and last until as late as 2020, he said.

"I don't think anyone can expect that the event on the scale of leaving the European Union can be without some transitional costs," he said. "I think that the losses from leaving will come first, and the opportunities, such as new trade deals with the U.S., Japan or changes to the U.K. regulatory environment, are a little down the line."

However, further hints that British companies are already holding back on investment comes from ONS data showing that they are stockpiling cash—much of it outside the U.K.

Private non-financial companies' bank deposits grew by a huge £66 billion in the 12 months through March, hitting nearly £648 billion, almost four times the total amount invested by U.K. businesses last year.

The lion's share of that increase, some £30 billion, came from U.K. businesses depositing money abroad, with a further £18 billion increase in foreign currency held with domestic banks.

The growth in businesses' deposits overseas in sterling terms may partly reflect the pound's steep depreciation in the wake of the Brexit vote. But it doesn't account for the magnitude of the increase, or explain why businesses are choosing not to repatriate the money, Mr. Tombs said.

Most likely, companies are simply hoarding export proceeds to invest them abroad should Britain crash out of the EU, he said. "Investing overseas instead of at home would be an obvious choice for U.K. firms seeking to hedge hard Brexit risk," he said.

Write to Wiktor Szary at Wiktor.Szary@wsj.com and Eric Sylvers at eric.sylvers@wsj.com

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THE WALL STREET JOURNAL

German Industry Misses a Beat but Economy Looks Strong

Todd Buell

The German economy remains on a path of strong growth despite a surprising decline in factory output in June, economists said following Monday's release of data on industrial production for Europe's biggest economy.

In adjusted terms, output declined by 1.1% in June from the previous month, the country's Economics

Ministry reported, marking the index's first monthly decline since last December. Economists polled last week by The Wall Street Journal had expected a slight gain of 0.1% in the index. The monthly decline was broad-based, with manufacturing output down 1.4% and construction output also down 1.0%. On the flip side, energy output grew by 1.4% compared with May.

The ministry reported, however, that output increased by 1.8% in the three months to end-June from the previous quarter. Indicators for new orders and business confidence pointed to a continued upward trend in industry, it said. Late last month, Germany's closely watched Ifo index of business sentiment hit a record high.

"This morning's decline isn't the end of the world, on the contrary. After a

total of five consecutive monthly increases, it was sooner or later time for a technical breather," said UniCredit economist Andreas Rees in a note. He expects the German economy to have grown by 0.7% in the second quarter of the year. Data on economic output are due out next week.

Other economists agreed. "As unexpected as today's drop in industrial production has been, the

German economy is still on track to post another strong quarter," said ING economist Carsten Brzeski in a research note. "Given the sound fundamentals, a month of weaker

industrial data should only be like a rain shower on hot and humid summer day: a welcome refresher."

The ministry said Friday that total orders for the manufacturing sector

increased by 1% in June compared with May, adjusted for seasonal swings and calendar effects. Economists polled by The Wall Street Journal had forecast a 0.5%

rise. Analysts are also watching closely trade data, which Germany's statistics office is due to release Tuesday.



Angela Merkel Is Hurting German Democracy

Paul Hockenos

Days after Germany's Christian Democratic Union (CDU) released its campaign program for the coming election this fall, Chancellor Angela Merkel appeared on television to defend it. Sort of. Upon its release, the CDU's program had been widely panned: It contained nothing new, the press said, nothing specific, too few numbers, and sounded suspiciously like the manifesto of the conservative's rival party, the Social Democratic Party (SPD), only vaguer. Its slogan — "for a Germany in which we live well and gladly" — was particularly vacuous, even by campaign slogan standards. It included a raft of airy allusions to prosperity and security. In its few tangible pledges, the conservatives summoned up bland crowd-pleasers such as tax breaks for lower and middle-income Germans (not a bold move in light of record-busting tax revenues); the overdue abolition of the so-called solidarity tax that had funded infrastructure in eastern Germany since unification; and more resources for families, internal security, and social housing. The conservatives vowed to cut unemployment from 5.5 percent, the lowest since 1980, to below 3 percent. In short, the message was: Everything is cushy for Germans, but it could be even cushier. Reelect the CDU.

Despite the criticism, the figure at the front and center of the CDU's campaign sat at ease in a red-leather armchair, ready for her annual "summer interview." Clad in a blue and white pant suit, with a turquoise and red gemstone necklace, she smiled frequently at her inquisitors, two of Germany's sharpest commentators. She was almost coquettish at times, friendly to a fault. She didn't so much defend her party's manifesto as she did transcend it. She was unwilling to utter an unkind word about her opponents or their acerbic attacks on her and the CDU's proposals. In short, clipped sentences, she listed her party's spending plans, doling out presents as a kind auntie would bonbons to children. Every jab from the interviewers she dodged, in a wholly successful effort to appear above the political fray and in control — and alone the one to deliver what ordinary Germans want: more of the same.

Germans refer to this modus operandi as "Merkel's method." When Merkel is asked about the technique, as she was by the interview's moderators, who referred to it as a "trick," she chuckles lightly, and typically replies — ever so innocently — that she has no idea what they're talking about. Meanwhile, her disgruntled opponents mutter, the woman recently dubbed the unlikely new leader of the free world is doing real damage to German politics. At a July campaign event, Martin Schulz, Merkel's chief opponent, took the CDU to task for its fluffy program and reluctance to do battle, assailing the chancellor for committing an "attack on democracy."

In early July, the German weekly *Der Spiegel* chimed in: "In democracies, it isn't only the result but also the process that counts," it scolded. It went so far as to call the buttoned-up chancellor's style "scandalous."

In early July, the German weekly *Der Spiegel* chimed in: "In democracies, it isn't only the result but also the process that counts," it scolded. It went so far as to call the buttoned-up chancellor's style "scandalous."

Merkel is poised to win handily in September, which would deliver her a fourth chancellorship. The Christian Democrats currently stand at around 40 percent in the polls and the Social Democrats at 25 percent, which is virtually identical to the vote tally of four years ago. Such numbers appear, if anything, to understate Germans' affection for their leader: Surveys show that nearly 60 percent of Germans would vote for Merkel if the vote for chancellor were direct (it's not); just half of that would vote for her SPD adversary, Martin Schulz.

Yet Merkel has achieved all of this by, essentially, depoliticizing German politics. She skillfully avoids instigating or acknowledging real conflict on substantive topics. She ensures that there are no quality nationwide debates taking place. At a time when much of the West seems to be bolting toward extremes, she's turned German politics into one big, warm-and-fuzzy centrist feather bed. In doing so, she may be doing lasting damage to the Federal Republic.

Central to Merkel's method is the way she boxes out the Social Democrats from the campaign's center stage by absorbing their ideas and occupying their space. Merkel has sidelined the SPD this way time again over the years, on dozens of issues ranging from the minimum wage to nuclear power. This strands the SPD in no-man's land, unable to debate the chancellor on CDU policy, which differs only in degree or detail from their own. On the campaign trail, Schulz splutters, cursing the chancellor and the CDU but without a real target to shoot at, or flesh-and-blood issues to engage on such as migration, climate change, or the European Union's troubled southern perimeter. (This phenomenon is only exacerbated by the fact that the SPD has ruled in a relatively peaceful "grand coalition" with the Christian Democrats for eight of the past twelve years, thus making it share in responsibility for the government's record.)

Merkel's tactic effectively demobilizes potential SPD voters who see no pressing reason to vote left or even show up at all on election day. But the knock-on effects are further reaching than that. It demobilizes conservative voters, too, who want to see more passion and right-wing oomph from their party, rather than a shadow dance with the *Sozis*. Some conservative voters have responded to the leftist tilt and platitudes from their former party by peeling off to the far-right Alternative for Germany, or AfD, which will most probably enter the Bundestag for the first time in the fall. (Some critics in her own party blame Merkel for this: By sliding to the center, they claim, she has opened up the right to electoral extremists for the first time in the history of the Federal Republic.) But more simply don't vote at all, as the CDU/CSU's weak turnouts in regional votes show; nationally, voter participation across the party spectrum stands at post-reunification lows.

And Merkel's success in deploying these tactics has caused others to follow her lead: The Social Democrats and, to a certain extent, the country's green party, too, have joined this nebulous center. They haven't responded to Merkel's moves with fresh, even bolder, more innovative stands; on the contrary, the four mainstream parties, which

includes the free-market Free Democrats, today join each other in rainbow-colored, mix-and-match coalitions across the country. This has consolidated a centrist consensus in the republic that has never been more solid. Only the far left and the far right, which stand at 9 percent apiece in polls, stand out as dissenters in the pan-German harmony.

Germany's storied Christian Democrats, Europe's premier conservative party, hadn't always been so mellow or *streit*-shy.

Germany's storied Christian Democrats, Europe's premier conservative party, hadn't always been so mellow or *streit*-shy. With a firm hand and staunchly traditional *weltanschauung*, the party's founder and postwar chancellor, Konrad Adenauer, led the country into the Western, U.S.-led camp despite mass protests across the country against the Federal Republic's decision to join NATO in 1955 and the creation of a standing army, the Bundeswehr, the same year. At the time, the CDU and the avowedly socialist SPD stood hundreds of kilometers apart on issues from relations with Moscow to equal rights for women. In the 1980s, Helmut Kohl followed a decade of Social Democratic rule by slamming the brakes on the political changes emanating from the cultural revolution set off by the student movement. He muscled through the deployment of intermediate-range nuclear missiles, and tapped into currents of nationalism enough to make sure that the CDU dominated the country's right flank. Then, after a short red-green hiatus, came Merkel, who almost at once headed for the middle, where indeed most of the republic lay. German Christian democracy was stood on its head, and remains that way today.

In a stunning gambit that surely made Adenauer and Kohl roll in their graves, Merkel exhibited her tactical finesse once again — or sold out her party, depending on perspective — in mid-July, in effect swiping from the leftist parties of one of their few signature issues: gay marriage. A bill to legalize homosexual partnerships — granting the same legal status as heterosexual marriage — had been in Bundestag committees for years, but blocked by the Christian Democrats, whose hard-liners barred the doors, even though public opinion (and,

privately, Merkel too) had long favored it.

Merkel's overture came out of the blue: Ever so casually, in a televised open discussion with a woman's magazine early this summer, Merkel let drop that she wouldn't mind if the bill came to the floor, and that Christian Democrat MPs could vote as they wished — each according to his or her conscience. The bill passed a week later, led by the three left-wing parties while the Christian Democrats split, a third of them backing the new law. (Merkel, pro-gay marriage, actually voted against it to appease her conservative critics.) What should have been a resounding, signature left-wing victory proved pyrrhic. Merkel looked open-minded and tolerant, and in one fell swoop took the issue off the table.

In one of the few moves still left to him, Schulz has been trying to make the Merkel method an explicit campaign issue, accusing the chancellor of cynicism and a lack of principle. But if it bothers Schulz and

others in the political classes, Germans as a whole — who, for the most part, acknowledge the substance of the accusations — seem unfazed. Perhaps for good reason: As other countries in Europe and the West have lurched toward extremes, Germany is lurching toward the center. This has made it a bastion of stability on the Continent. But it has also raised bitter questions: Is the antidote to the illiberal Orbans and Putins of the world really a thin, watered-down political culture that skirts substance? And with parties on the far left and far right muttering that the mainstream politicians are all in bed together, how long can this hold once Merkel is gone?

"The bottom line is that 80 percent of Germans think the economy is good and that Germany is keeping Europe afloat," argues Gesine Schwan, a political scientist who the Social Democrats and Greens nominated for federal president in the aughts. "They feel there's no need for real discussion on EU reform or the euro crisis or migration

because we're right and that's that, which is what Merkel says. But what happens then when the economy turns down?" There's no answer to this in Merkel's method, says Schwan; on the contrary, the method dictates the avoidance of doing anything until there's a crisis — and then the Iron Chancellor can use her "steady hand" to steer the country through it.

Merkel's formula, argues journalist Josh Groeneveld in *HuffPost Deutschland*, "may work in the blinkered, self-centered German present, but it's not a long-term solution to anything." "Germany desperately needs new ideas. There's catching up to do: in digitalization, education, the job market, economic modernization." Merkel's never had to pay for this paucity herself — not yet, writes Groeneveld.

In the upcoming term, which Merkel and the CDU are certain to win, not just Germany but all of Europe will be looking to Berlin — in tandem with Emmanuel Macron's France —

to undertake sweeping reforms of the EU, address the still-floundering economies of Southern Europe, drive forward climate policy, and come up with long-term policies to confront migration. Germany is seen as a bulwark against the authoritarianism of the Trumps, Putins, and Erdogans who seem to be multiplying and morphing into ever more pernicious regimes. These are difficult topics — and all have barely merited mention in Germany's tepid election campaign.

Instead for the moment, Merkel plows ahead, seemingly unstoppable. When she announced to party cohorts the 2017 election slogan of "For a Germany in which we live well and gladly," one CDU higher-up suggested a tiny alternation, beginning it instead with "Our Germany ..."

No, snapped back Merkel, adding "What does this look like, an editorial conference?"

The New York Times

Cleaving to the Medieval, Journeymen Ply Their Trades in Europe (UNE)

Miss Eddy

9-12 minutes

They hitchhike across Europe, instantly recognizable in the wide-bottomed, corduroy trousers, white shirts and colored jackets that identify them as bricklayers, bakers, carpenters, stonemasons and roofers.

They are "Wandergesellen," or journeymen — a vestige of the Middle Ages in modern Europe — young men, and these days women, too, who have finished their required training in any number of trades and are traveling to gather experience. Most are from German-speaking countries.

In the past, journeymen traveled under the auspices of a trade association, and today many still do. But many also take up the practice freely, though still adhering to the strict, often arcane, rules handed down largely through word of mouth to preserve the tradition.

According to custom, young men and women wishing to become journeymen find someone already on the road to sponsor them and help organize their trip. Prospective journeymen are debt-free, unmarried and no older than 30. They agree to stay away from home for at least as long it took to

complete their traineeship — usually two or three years — plus a day, and to live by their wits, their trade and the generosity of strangers.

The night before setting off from home, a future journeyman traditionally hosts a party to say farewell to family and friends. In the course of the night, a hole is made in his or her earlobe for an earring to wear throughout the journey. Tradition holds that anyone who breaks the rules will have the earring torn out, marking that person with a cleft lobe, or a "split-ear," a term long since adopted in the German language for a crook.

The morning after the party, the neophyte buries a memento near the boundary of his or her hometown, then climbs over the city limits sign to fall into the arms of fellow journeymen who have gathered to see the new traveler off before they resume their own journeys.

Most journeymen will work in the jobs for which they are trained. But they also take other work, either to expand their skill set or out of a need for food or a change of pace. Large summer projects, lasting several weeks, will see bakers handling jackhammers and gardeners helping out in the kitchen.

In public, journeymen wear distinctive traveling garb, their

trousers sewn with pockets deep enough to hold a folded meterstick or a bottle of beer. The color of their jackets indicates their trade: Carpenters and roofers wear black, tailors maroon and gardeners deep hunter green. There are other clues, too, in their belt buckles and the brooches on their ties.

Their dress makes them instantly recognizable in the German-speaking world, though not necessarily beyond. "Outside of Germany, we are often taken for cowboys," said Arnold Böhm, 25, a carpenter from Görlitz who spent time working in Cape Verde, Namibia and South Africa.

During the World Wars the tradition stopped, fully reviving only in the 1980s and '90s. Many trade associations from the Middle Ages are still around, and others have sprung up for new vocations. Women also are part of the modern tradition.

In an adaptation of the old rules to modern times, journeymen do not carry devices like cellphones that allow them to be found. They carry digital cameras, if they like, and write emails from public computers.

Journeymen travel in groups or on their own, depending on their trades and their routes, often finding one another by sight. "Have you seen people who look like me?" Mathias

Müller, a carpenter, asked people in Tübingen after arriving there to meet up with friends.

Traditionally, a journeyman was not allowed to travel or seek work within a 60-kilometer radius of his hometown — a guideline intended to encourage an exchange of ideas among those practicing any given trade. Today, it remains a way to ensure that the journeyman develops independence.

Nepomuk Neyer, 26, a wicker weaver from Innsbruck, Austria, recounted once traveling beyond the radius but still near enough that he could look down the valley and see his home. "That was the hardest moment," he said.

Many of the young people who head off on such a journey had rarely left home, and then only with their parents or on school trips.

Nonetheless, for many the hardest part of their journey is deciding when to end it. The responsibilities and monotony of a daily routine have a way of making the challenges of wandering from place to place, not always knowing where you might sleep, seem like fun.

"You don't have any overheads, you don't have a family or a house to take care of," Mr. Böhm said. "What you have is your freedom."

INTERNATIONAL

THE WALL
STREET
JOURNAL.

U.N. Backs Inquiry on Syria After Departure

UNITED NATIONS— Secretary-General António Guterres supports the work of the U.N.'s independent Commission of Inquiry on Syria in gathering evidence of alleged crimes against civilians during the 6 1/2-year war and regrets the resignation of Carla Del Ponte, the U.N. said on Monday.

Ms. Del Ponte announced she was resigning from the commission in frustration over the Security Council's inaction to hold criminals accountable in war-battered Syria where she said "everyone is bad." In comments published Sunday by the Swiss magazine Blick, she criticized President Bashar al-Assad's government, his opponents and the international community.

U.N. spokesman Stephane Dujarric said the secretary-general considers accountability "critical" and "supports the continued work of the commission as an important and integral part of the accountability process."

As for Ms. del Ponte, he said Mr. Guterres "is grateful for her service and her contribution to the important work of the commission, also as a tireless advocate for the cause of accountability throughout her

career."

Ms. Del Ponte, who gained fame as the prosecutor for the international tribunals that investigated atrocities in Rwanda and Yugoslavia, has repeatedly decried the Security Council's refusal to appoint a similar court for the Syrian conflict.

Permanent members Russia, a key backer of Mr. Assad's government, and China vetoed a U.N. resolution in May 2014 to refer the situation in Syria to the International Criminal Court, the world's permanent war-crimes tribunal.

"Believe me, the terrible crimes committed in Syria I neither saw in Rwanda nor ex-Yugoslavia," Ms. Del Ponte told Blick. "We thought the international community had learned from Rwanda. But no, it learned nothing."

"I give up. The states in the Security Council don't want justice," Ms. Del Ponte said. "I can't any longer be part of this commission which simply doesn't do anything."

The commission was set up in August 2011 by the Geneva-based Human Rights Council to investigate crimes in Syria, no matter who committed them. Since then, it has compiled thousands of interviews

and keeps a list of suspected war criminals under lock and key at the offices of the U.N. High Commissioner for Human Rights in Geneva.

Ms. del Ponte, who was appointed to the commission in September 2012, said she would take part in the commission's September meeting, her last.

The commission issued a statement saying it was aware since mid-June of Ms. Del Ponte's plans to leave and insisted that its work "must continue" to help bring perpetrators in Syria to justice.

Ms. del Ponte's resignation shrinks the commission to two members—chair Paulo Sergio Pinheiro and Karen AbuZayd.

Mr. Dujarric, the U.N., spokesman, said "the commission will continue its work" and questions about a replacement for Ms. del Ponte should go to the Human Rights Council and the remaining commission members.

He stressed that accountability takes time.

"Information needs to be gathered in a way that will stand up wherever and whatever circumstances people will have to face justice," Mr.

Dujarric said. "It's something we can understand is deeply frustrating to the victims first and foremost."

With Security Council action blocked, the U.N. General Assembly, where there are no vetoes, voted last December to establish an investigative body that will assist in documenting and prosecuting the most serious violations of international law in Syria, including possible war crimes and crimes against humanity.

Mr. Dujarric noted that the new head of this body, French judge Catherine Marchi-Uhel, who was the ombudsperson considering appeals by individuals and entities subject to U.N. sanctions for links to al Qaeda and the Islamic State extremist group, starts work on Tuesday.

"It is no secret to anyone that the deadlock in the Security Council, I think, has been a source of frustration not only for the secretary-general but for others inside the U.N.," Mr. Dujarric said. "There's no getting around the Security Council, and I think we have repeatedly called for greater unity of purpose from Security Council members on the issue of Syria."

THE WALL
STREET
JOURNAL.

Bennett : Iran Is Using Syria to Advance Toward the Mediterranean

Naftali Bennett

Hezbollah announced last month that it had captured the Syrian-Lebanese border area of Juroud Aarsal from Islamic State forces. Far from being a minor development in a violent and unstable region, this marks another Iranian success in its quest for power and dominance across the Middle East.

Since its 1979 revolution, Iran has sought to become a dominant world power capable of imposing Islamic rule on as many people as possible. The Iranian regime finances and supports armed militias in other countries and is the world's top exporter of terror. Hundreds if not thousands of Americans have died at the hands of Iran's terrorist proxies.

An essential part of Tehran's grand strategy is to control a land corridor from Iran to the Mediterranean Sea. Under the cover of Syria's bloody

civil war, Hezbollah is helping to build such a highway. Hezbollah, trained and supported by Tehran, is classified as a terror group by the U.S., France and the Arab League, among others.

Its effort endangers the entire Western world. Controlling this corridor would directly connect Iran with its proxies in Syria and Lebanon, allowing it to transfer advanced weapons cheaply and quickly. The highway would let Iran build its military presence on the Mediterranean, bringing much of Europe into the range of its air force, navy and midrange missiles. Iran could even build arms factories outside its borders.

Iranian apologists frame Hezbollah's capture of the border area as a victory over ISIS, as if the U.S.-led coalition ought to be cheering. ISIS needs to be stopped, but Iran is a far greater problem in the long run.

Tehran shouldn't be mistaken for part of the solution.

As Syria disintegrated through civil war, Iran acted swiftly. It broke international law and forcefully expelled the Sunni population and replaced it with Shiites. This changed the local demography to support Tehran's planned land corridor through Syria and Iraq. Iran also sent its generals to train Bashar Assad's troops. Hezbollah has effectively morphed from a terror group into a division of the Iranian army, working for Tehran not only in Lebanon and Syria, but also in Yemen and Iraq.

In the game of chess that Syria has become, Western leaders are so focused on the knight attacking their pawns they cannot see the queen maneuvering to defeat them. Mistaking ISIS as the most serious threat has allowed Iran to move its pieces forward and gain better position. The nuclear deal Iran

signed in 2015 demonstrates Tehran's patience, as it temporarily slows the country's preparations to acquire nuclear weapons without stopping them over the long term.

I and others are concerned by the cease-fire in southern Syria brokered by the U.S., Russia and Jordan last month. With American and allied forces present in the north, Iran has focused its efforts on the south. The hiatus from violence in that region only gives Tehran another piece of territory in its bid to build a highway to the coast.

It will take time and patience to stop Iran. The international community needs to defeat Tehran wherever its forces advance: in cyberspace, on the battlefields of Yemen and Iraq, and in advanced-weapons laboratories. This effort will be both public and covert, economic and technological. If it results in direct military confrontation, Iran's foes must be ready to win there too.

Iran must be made to pay a price every day its soldiers remain on Syrian soil helping the Assad regime kill its own people. Tehran's leaders must know that every violation of the nuclear deal will trigger harsh sanctions. They cannot direct terror

attacks in Europe, Asia and America and expect the world to ignore their actions.

There are many possible courses of action against Iran. Yet the free world—led by the U.S.—has yet to

take the first and most important step: declaring that it cannot abide an Iranian empire from the Persian Gulf to the Mediterranean Sea.

Mr. Bennett is a member of Israel's Security Cabinet and a reserve

major in the Israel Defense Forces' General Staff Reconnaissance Unit.

THE WALL STREET JOURNAL

Gray : Mueller Can Avoid an Iran-Contra Repeat

C. Boyden Gray

Will Special Counsel Robert Mueller's investigation morph into an open-ended inquisition? Independent and special counsel investigations of the executive branch since Watergate often have. Mr. Mueller's recently reported impaneling of a grand jury in Washington does not guarantee that it will happen again, or even that anyone will be indicted. But it seems that the investigation is moving beyond questions of campaign collusion with Russia.

There has been a Russia investigation under way for more than a year, with no indication yet of a collusion crime, notwithstanding the leakiest period in presidential history. This is not to deny that the Russians have meddled in U.S. elections. Nor is it to say that persons associated with the Trump campaign might not possibly have committed offenses unrelated to collusion that merit prosecution. Such investigations may be beyond Mr. Mueller's core jurisdiction, but the wording of his assignment lets him roam far beyond collusion issues.

As a practical matter, there is no firm, clear limit to the resources or time that can be devoted to special-counsel investigations. Nor is there an obvious limit on their scope. As Attorney General (later Justice) Robert Jackson observed in 1940, the prosecutor's "most dangerous power" is "that he will pick people that he thinks he should get, rather than cases that need to be prosecuted. With the law books filled with a great assortment of crimes, a prosecutor stands a fair chance of finding at least a

technical violation of some act on the part of almost anyone." Willie Stark —seeking dirt on a political opponent—explained this truth succinctly in Robert Penn Warren's "All the King's Men": "Man is conceived in sin and born in corruption. . . . There is always something."

The Iran-Contra independent counsel investigation (1986-93), authorized under a now-expired post-Watergate statute, illustrates the point. Despite nearly seven years of distracting inquiries sustained by unlimited budgets—and unfair political effects and leaks—no one was convicted or even indicted for any action pertaining to Iran or the Contras. The law barring certain funding for the Contras in Nicaragua, the Boland Amendment, was an appropriations provision, containing no civil or criminal penalties.

That didn't matter. The independent counsel obtained a series of peripheral convictions, mostly for obstructing Congress's Iran-Contra investigation in various ways. The investigation didn't end until after President George H.W. Bush pardoned former Defense Secretary Caspar Weinberger—a vigorous opponent of the Iran-Contra transactions—for alleged offenses relating to diary and meeting notes that he had not produced to investigators.

The independent counsel statute plagued presidents of both parties and expired unceremoniously in 1999, a few months after Bill Clinton's impeachment trial. But Justice Department regulations still provide for the authorization of special counsels like Mr. Mueller.

Will history repeat itself? Deputy Attorney General Rod Rosenstein, who appointed Mr. Mueller, told "Fox News Sunday" this past weekend that "Bob Mueller understands and I understand the specific scope of the investigation and so, it's not a fishing expedition." But Mr. Rosenstein's order appointing Mr. Mueller is somewhat mixed. It authorizes Mr. Mueller to investigate not only "any links and/or coordination" between Trump campaign associates and the Russian government, but also "any matters that arose or may arise directly from the investigation."

President Trump has understandable grounds for concern that the probe will drag on. But the best solution is not to dismiss Mr. Mueller. It is for all responsible parties to get the facts out speedily. That includes the congressional committees investigating the matter, which are under no obligation to lag the Mueller inquiry. Any valid prosecutions should also proceed quickly.

So far the publicly available evidence does not paint a picture of a conspiracy to collude with Russia. That includes the infamous June 2016 meeting between campaign principals and various Russian nationals at Trump Tower. The meeting—and an ill-considered email chain preceding it, involving the Donald Trump Jr. and others—was unwise. But there does not seem to have been any follow-up.

It bears repeating that not every interaction between campaign personnel and foreign nationals or governments is unlawful or even inappropriate. U.S. law is more complicated. Various forms of

foreign involvement in American elections are prohibited. Most prominently, U.S. law forbids campaign donations in U.S. elections by foreign governments and nonresident aliens. And the Foreign Agents Registration Act, among other statutes, imposes criminally enforceable disclosure requirements on agents of foreign governments who attempt to influence public opinion, policy and law.

Yet the Foreign Agents Registration Act is not the Foreign Agents Prohibition Act. U.S. law allows foreign agents significant freedom to advocate and even to lobby. Saudi Arabia and Qatar are prime examples. More prosaically, foreign nationals and governments often participate in agency rule makings, which can have campaign impact.

To prevent a never-ending replay of Iran-Contra, it will be essential to flush out the Russia facts, in a disciplined way, as soon as possible. No statements should be made or actions taken that could be construed as undermining the investigations. Equally important, the investigators must proceed promptly and evenhandedly. Within their proper mandates, investigators ought to review questions about potentially troubling behavior by Democrats during the 2016 campaign, too.

Mr. Gray served as counsel to the vice president (1981-89) and White House counsel (1989-93).

The New York Times

Jordan's King, Spurred by Jerusalem Mosque Crisis, Meets With Palestinian Leader

Isabel Kershner

RAMALLAH, West Bank — King Abdullah II of Jordan made the short trip to Ramallah on Monday for a highly symbolic visit with President Mahmoud Abbas of the Palestinian Authority, against the backdrop of the recent crisis over the Aqsa Mosque in East Jerusalem and tensions with Israel.

Arriving by helicopter, the king was greeted by a Palestinian honor

guard, as well as by a huge poster of his image and that of Mr. Abbas superimposed on crowds of Muslim worshipers inside the Aqsa compound. It bore the legend, "Jerusalem will triumph."

But as much as the king's visit — his first in Ramallah in five years — was intended as a show of solidarity and close coordination with the Palestinians, Palestinian officials acknowledged that it was probably equally aimed at the Jordanian

public, and its reaction to the fatal shooting by an Israeli Embassy guard in Amman of two Jordanians, a teenager who apparently attacked him with a screwdriver and an innocent bystander.

Jordan, the custodian of the Aqsa shrine in Jerusalem, helped resolve the crisis involving the mosque, set off when Israel placed metal detectors, cameras and other security measures at entrances to the compound. Those measures

came in response to a deadly July 14 attack, when three armed Arab citizens of Israel emerged from the mosque and fatally shot two Israeli police officers.

In a rare move after the attack, Israel temporarily closed the contested and volatile holy site, which is revered by Jews as the Temple Mount and by Muslims as the Noble Sanctuary.

After days of bloodshed and a two-week stand off in which Palestinian Muslims refused to enter the compound, Israel removed the metal detectors and other equipment. The separate tension between Israel and Jordan over the embassy guard incident injected a sense of urgency into resolving the issue.

Israel's relations with Jordan were further strained when Prime Minister Benjamin Netanyahu gave the embassy guard a hero's welcome on his return to Israel. The prime minister's office distributed video showing him embracing the guard, fueling outrage in Jordan. King Abdullah castigated Mr. Netanyahu, saying he had exploited the episode for "personal political gains" and said relations between the countries — former enemies who signed a peace treaty in 1994 — would

depend on how Israel handled the affair.

Israel and Jordan maintain a crucial regional alliance but the peace between the two governments has not filtered down to the Jordanian people, many of whom are of Palestinian origin.

Jordan has said that the Israeli ambassador and the rest of the embassy staff, who all returned to Israel, will not be allowed back to Amman until the shooting episode has been properly investigated. Israel announced on Friday that the Israeli police was conducting an examination that would be monitored by the state attorney's office.

The king's visit to Ramallah would have had to be coordinated with the Israeli authorities, since Israel

controls the air space above the West Bank. The king spent barely two hours on the ground meeting with Mr. Abbas and other officials.

Saeb Erekat, the secretary general of the Palestine Liberation Organization, said in a statement that the king's visit was "a message of support and succor for President Abbas and the Palestinian people."

During his visit, King Abdullah emphasized Jordan's support for the establishment of a Palestinian state with East Jerusalem as its capital, and the importance of working with the Trump administration to restart the peace process, according to Petra, the official Jordanian news agency. It added that the Jordanian and Palestinian leaders also discussed the need to maintain the status quo at the Aqsa compound.

"The king came to Ramallah because Jerusalem is occupied," said the Grand Mufti of Jerusalem, Muhammad Ahmad Hussein, one of several Palestinian religious and political leaders who came to the presidential headquarters to welcome King Abdullah.

Israel captured the West Bank and East Jerusalem from Jordan in the 1967 war. While the West Bank remains under Israeli occupation overall, the Palestinian Authority holds sway over parts of it. Israel annexed East Jerusalem in a move that was never recognized internationally, and the country claims sovereignty there.

THE WALL STREET JOURNAL

U.S., Russia Must 'Deal With' Conflict, Tillerson Says

Ben Otto

MANILA—U.S.

Secretary of State Rex Tillerson told Russia's foreign minister that the U.S. would respond to that country's recent expulsion of American diplomats by Sept. 1 and that the nations must confront the distrust created by Moscow's meddling in the U.S. presidential election.

Mr. Tillerson, speaking with journalists Monday at an Asian regional security conference in the Philippines, said that he told his Russian counterpart in a meeting a day earlier that he wanted Russia to "understand just how serious this incident had been and how seriously it had damaged the relationship between...the American people and the Russian people."

He told Russia that "We simply have to find some way to deal with that," Mr. Tillerson said.

Mr. Tillerson and Foreign Minister Sergei Lavrov got together Sunday for an hour in a much-anticipated meeting on the sidelines of the conference following a spell of increasing acrimony over sanctions against Russia adopted by the U.S. Congress and reluctantly signed into law by President Donald Trump.

The Russian Foreign Ministry said the meeting began with Mr. Lavrov explaining the reasoning behind Russia's decision to expel U.S. diplomats. The decision came "after a long wait for the U.S. not to go down the path of confrontation. But, unfortunately, Russophobic members of Congress prevented that from happening," the ministry said.

The ministers discussed a range of global issues, including cybersecurity, North Korea, Syria and Ukraine, the ministry said.

The sanctions were intended to punish Russia after the U.S.

intelligence community concluded that Moscow had sought to interfere in the election, which Mr. Trump won. Russian President Vladimir Putin responded by saying the U.S. would have to cut 755 diplomats and staff in the country by September.

Mr. Tillerson said Monday that he asked Mr. Lavrov several clarifying questions about that move, and promised a U.S. response by Sept. 1.

Mr. Trump, who has said that relations between the powers are at "an all-time low," has publicly questioned the intelligence findings on the election and dismissed investigations by Congress and a Justice Department special prosecutor into the matter. Russia has denied meddling in the election.

Mr. Tillerson said Mr. Lavrov indicated "some willingness" to resolve tensions over Ukraine. The countries have been in conflict since 2014, when Moscow annexed the

Black Sea peninsula of Crimea and Russian-backed separatists started a war in the eastern part of the country.

After the territory grab, the U.S. and the European Union imposed sanctions on Moscow, which Russia has tried unsuccessfully to have lifted. Mr. Trump, who has spoken favorably of the Russian leader, has called for the two countries to make peace.

Mr. Tillerson said the administration viewed the relationship with Russia with pragmatism.

"We want to work with them on areas that are of serious national security interest to us while at the same time having this extraordinary issue of mistrust that divides us," Mr. Tillerson said. "That's just what we in the diplomatic part of our relationship are required to do."



Bershidsky : Why Shirtless Putin Is Having the Last Laugh

Leonid Bershidsky

It's August, and Russian President Vladimir Putin has been to Tuva -- the place where he is usually photographed shirtless. The slow news cycle certainly accounts for some of the attention that the latest Kremlin-released photo session has received from global media. But something else accounts for most of it: Putin's incredible success as a troll.

QuickTake Vladimir Putin

Not just the paparazzi-loving tabloids published whole photo galleries from the selection: The

New York Times, The Washington Post and Time did, too. Few heads of state could boast of similar success with their government news products. The achievement is especially impressive given that Putin was already photographed shirtless in the South Siberian region on the Mongolian border in 2007 and 2009 (on another fishing trip to the region, in 2013, it was probably too cold for the shirt to come off, but Putin still got the social networks excited by kissing a large pike he'd caught).

All of Putin's famous shirtless pictures -- on horseback, pole-fishing, swimming the butterfly

stroke -- come from vacations in Tuva, the birthplace of his Defense Minister Sergei Shoigu. The region's natural beauty and remoteness -- no one can see him who's not supposed to -- appear to bring out a kind of macho, outdoorsy romanticism in the pale-skinned St. Petersburg native, who's lived in big cities his whole life. But why does the Kremlin keep publishing the photos, and why do the global media lap them up so?

The obvious answer to the first question is that Putin is selling his impressive physique -- particularly for a man of 65 with a sedentary job -- to the domestic audience. As

safe as he may feel about the 2018 election, which will be a mockery of democracy like many before it, he seems interested in convincing voters that he remains the virile man who took over the government some 17 years ago. Indeed, there's no sign of physical deterioration in the latest photos compared with the 2007 one, at least according to MK, the Moscow tabloid. On Sunday, it compared Putin sarcastically to Indiana Jones, concluding wryly, "How can one not vote for such a torso?"

But then, both Putin and his press service know that Russians, even the majority who aren't opposed to

Putin, will take the images with a grain of salt. They usually cause outbreaks of hilarity on the social networks; many of the jokes and memes are unflattering (my favorite one from the latest batch has Putin preparing to dive into an enormous muddy puddle on the edge of some Russian city, with school kids wading nearby, up to their ankles in water). Even official publications often join the fun. After Dmitry Peskov, Putin's press secretary, said Putin had chased this year's Tuva pike for two hours before spearing it, the Russian government's newspaper, Rossiyskaya Gazeta, teased the news on Twitter with a collage of sprinter Usain Bolt with a pike's head.

Even Russia's fishing enthusiasts, of which there are many, didn't hesitate to call Putin an amateur for a number of reasons: chasing a fish is not the best tactic; a pike is best taken with a pole, not a spear; that Putin's catch was smallish; and that his underwater swimming technique left much to be desired.

Putin isn't impressing too many Russians with these exploits, not with his hockey goal-scoring

prowess nor with his carefully staged judo displays. Russians are used to leaders presenting themselves as superhuman in various ways; I was raised on stories about how Vladimir Lenin's brain had a different physical structure that made his extraordinary level of genius possible. A near-universal sarcastic attitude toward this kind of deification has survived the Soviet era and persists today. Putin doesn't run Russia on the basis of a personality cult, but rather by force and cunning. The Kremlin doesn't publish the pictures in an attempt to create such a cult: It's done so before and it knows the tepid domestic effect.

It appears increasingly likely that the Kremlin comes out with the macho imagery mainly for Western audiences' sake. They appear to be fascinated by shirtless Putin, and Western media use the images for years to illustrate stories about the Russian president; even the most sycophantic pro-Kremlin media have stopped recycling the 2007 and 2009 pictures.

There's a song about Putin on Randy Newman's latest album, with lyrics that go:

And when he takes his shirt off,

He drives the ladies crazy.

When he takes his shirt off,

Makes me wanna be a lady.

That's irony, of course, but a very different kind from those memes in Russia. Westerners don't think of Putin preparing to dive into a car-sized pothole filled with water. They appear to be mesmerized by what they see as a display of machismo and bad taste, but also bad-boy physical power. The images reinforce Putin's image as the man Western media love to hate. At any rate, that's what it looks like to people who run the Kremlin propaganda machine.

"I read the NYT report about Putin's vacation," Margarita Simonyan, head of the propaganda channel RT, tweeted. "It's love, of course. A frustrated, angry kind. Because it's unrequited."

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Share the View

I doubt that too many Americans are interested in comparing muscular Putin with nearly-obese Donald Trump, who eats junk food and likes to ride in a golf cart even on the green. After all, Americans who like Putin mainly voted for Trump. But Russia's communication with the Western world is not about creating an attractive image. It's about mockery and trolling. A shirtless Putin in dark glasses, floating in the middle of a remote Siberian lake, is not a guy who cares much about U.S. Congress' latest sanctions. While U.S. intelligence services worry about Russian spear-phishing as a way of getting into American networks, Putin spear-fishes for pike.

Western media don't have to play along. But it's August -- and perhaps there's a little of that unrequited love. Come on, colleagues, you can do better than that -- how about a spread of Angela Merkel's holiday pictures? Putin doesn't need any more propping up.



Editorial : Bearing up: How the US deters Russia

August 7, 2017 — After a meeting

last weekend with Russia's foreign minister, Secretary of State Rex Tillerson said the United States harbors an "extraordinary" mistrust of Moscow, caused in large part by its hacking of the 2016 US election. In recent days, that mistrust has resulted in tougher sanctions on Russia and a beefed-up US military presence along its borders. Many US allies have followed suit after Russia meddled in their democracies.

Yet at the same time, Mr. Tillerson also spoke of addressing differences with Russia and finding "places we can work together." And indeed, Russia did support tough measures against North Korea at the United Nations on Aug. 5. It is also seeking cease-fires in Syria and renewing

talks about its role in Ukraine.

For those who remember how the cold war was won against the Soviet Union, these latest US moves reflect a tried-and-true stance toward aggression by Moscow whether it be cyberattacks or military attacks. It is a policy of patience, restraint, and deterrence.

More than a dozen US presidents have now accepted the idea that Russia's expansionist tendencies reflect more weakness than strength, and by containing Russia's aggression, it can eventually reform or come to its senses. Bad ideas, in other words, collapse on their own fallacies.

This containment theory requires vigilance and statecraft -- and a measure of hope that enough Russians will tire of isolation and economic stagnation. Then they will

want to join the West rather than accept the Kremlin's artificial fear of it.

The deterrence side of containment is certainly growing in many ways. Germany, for example, has improved its cyberdefenses after a shadowy group with ties to Russian intelligence broke into the computers of think tanks associated with Germany's top two political parties. Sweden, which has long stayed out of NATO, plans a joint military drill with the alliance. And in Lithuania and Latvia, civic activists, who call themselves "elves," are working to counter Russian misinformation in their countries' media.

The new cyberdefenses reflect a deep faith in the values of Western democracy. "I see no reason why we should be losing," says Janis

Sarts, director of the NATO Strategic Communications Center of Excellence. "It is about acknowledging the problem, resourcing solutions, and using what is best in our societies (free speech, civic engagement, innovation) to win it for our future."

Russia's aspirations to dominate its neighbors and split the Western alliance must be taken seriously. But the response must not be in kind. Rather the West can once again be firm when needed but offer opportunities for Russians to adopt another national identity. Russia's illusions about imperial greatness do not have a long shelf life.



North Korea says it won't give up nuclear weapons and that entire U.S. mainland is within firing range (UNE)

<https://www.facebook.com/anne.gearan>

MANILA — North Korea spurned harsh new U.N. sanctions Monday and threatened to defend itself with nuclear weapons if necessary, as Secretary of State Rex Tillerson repeated an offer to bargain with the

outcast nation under the right circumstances.

There was no sign at a major Asian security conference here that the sanctions hailed by President Trump as a foreign policy achievement would succeed where past efforts have failed in trying to persuade the

country to give up its nuclear weapons.

North Korean Foreign Minister Ri Yong Ho told diplomats that his country will never negotiate away what he called a rational "strategic option" against the threat of attack from the United States.

"We will, under no circumstances, put the nukes and ballistic rockets" up for negotiation, Ri said in prepared remarks, adding that the entire United States is within range of its missiles.

He dismissed the U.N. Security Council sanctions approved Saturday as illegal, appearing to rule

out talks that the Trump administration, in a diplomatic partnership with China and Russia, is offering North Korea as a way out of its economic and diplomatic pariah status.

For three decades, North Korean Ri Jong Ho was one of many men responsible for secretly sending millions of dollars back to Pyongyang. He sat down with The Washington Post's Anna Fifield to tell his story. For three decades, North Korean Ri Jong Ho was one of many men responsible for secretly sending millions of dollars back to Pyongyang. He sat down with The Washington Post's Anna Fifield to tell his story. (Video: Anna Fifield, Jason Aldag/Photo: Jahi Chikwendiu/The Washington Post)

(Anna Fifield, Jason Aldag/The Washington Post)

[U.N. imposes tough new sanctions on North Korea]

"The best signal that North Korea could send that they're prepared to talk would be to stop these missile launches," Tillerson told reporters Monday at the Association of Southeast Asian Nations (ASEAN) gathering.

The security conference in the Philippine capital was dominated by the rising threat posed by North Korea's rapid advances in nuclear and ballistic missile technology. Those capabilities are already a threat to neighbors and U.S. allies South Korea and Japan. In two tests last month, North Korea demonstrated that it could hit major population centers in the United States, and the country is now working to perfect the technology to allow those missiles to carry nuclear warheads.

The new economic sanctions were approved amid the discussions here. The penalties are the toughest to date against a country that has been under international sanctions for more than a decade, and they carry the symbolic weight of approval by Pyongyang's closest ally, China. They also approximate a trade embargo by targeting some of North Korea's biggest exports, including coal.

[What the new sanctions on North Korea mean]

**The
Washington
Post**

Editorial : The U.N. has placed more sanctions on North Korea. That's not enough.

NO ONE who grasps the seriousness of the missile and nuclear weapons threat from North Korea can dismiss the significance of a unanimous vote of the 15-member U.N. Security Council, including China, Russia

The sanctions can work only if North Korean leader Kim Jong Un concludes that he has too much to lose by hanging on to his weapons. Kim's calculation has been the opposite — that his weapons and the means to deliver them buy him irreplaceable leverage over the United States, his principal adversary.

China is urging Kim to consider negotiations, and also worked alongside the United States to develop the new U.N. sanctions. Days before the unanimous Security Council vote, Tillerson had made a point of saying that the United States does not consider North Korea its enemy and does not seek to invade the country or unseat Kim. Those reassurances were meant to encourage North Korea to meet at the bargaining table.

Japanese Foreign Minister Taro Kono spoke, Aug. 7 in Manila, about United Nations sanctions on North Korea and recent developments surrounding the South China Sea. Japanese FM on NKo sanctions, South China Sea (AP)

(AP)

At the same time, Washington has issued blunt warnings that the United States will use military force if necessary, and North Korea has answered in kind.

In the printed version of his speech, Ri said Pyongyang will use nuclear weapons only against the United States or any other country that might join it in military action against North Korea.

Ri's address here was closed to the media, so it could not be determined whether he stuck to a script delivered to reporters.

Another direct warning was aimed at the United States in a government statement published by the state-run Korean Central News Agency.

"There is no bigger mistake than the United States believing that its land is safe across the ocean," it said.

North Korea "will make the U.S. pay dearly for all the heinous crimes it commits against the state and people of this country," the statement said.

and the United States, for yet another round of sanctions, the eighth in 11 years. The vote reflects a broad sense of international alarm, which reached new levels after the July 4 and July 28 tests of ballistic

Tillerson would not spell out a deadline for North Korea to respond to the diplomatic overture.

"We'll know it when we see it," he said Monday.

"We hope again that this ultimately will result in North Korea coming to a conclusion to choose a different pathway, and when the conditions are right that we can sit and have a dialogue around the future of North Korea so that they feel secure and prosper economically," he told reporters.

Tillerson avoided running into Ri, who attended the related ASEAN Regional Forum. The State Department said he skipped one event where the two men might have met and left another early to attend a scheduled meeting with Philippine President Rodrigo Duterte.

Tillerson and Trump spoke by phone for about an hour Monday, and Tillerson detailed the results of his discussions in Manila, the White House said.

"United Nations Resolution is the single largest economic sanctions package ever on North Korea," Trump wrote in a Twitter message Saturday. "Over one billion dollars in cost to N.K."

On Monday, Trump complained that the U.S.-led sanctions vote at the United Nations is not getting enough attention, writing, "The Fake News Media will not talk about the importance of the United Nations Security Council's 15-0 vote in favor of sanctions on N. Korea!"

North Korea rarely attends, or is even invited to, international forums such as the ASEAN meeting. Ri tried to make the most of it, holding meetings with the top diplomats from China and Russia, two countries that trade with North Korea and employ North Koreans as contract workers. China alone is responsible for 90 percent of North Korea's trade.

Moscow and Beijing have proposed a "freeze for a freeze" approach, in which North Korea would suspend its missile and nuclear testing if the United States and its allies stop conducting joint military exercises in

the region. Washington has rejected that.

After meeting with Ri, Russian Foreign Minister Sergei Lavrov called on all parties "to show maximum restraint to avoid the projection of military power on the Korean Peninsula and immediately start seeking a political and diplomatic resolution to the problems of the peninsula, including its denuclearization."

Chinese Foreign Minister Wang Yi said he told Ri that North Korea should abide by U.N. prohibitions against missile and nuclear testing. But he also said that sanctions, while needed, "are not the final goal," and he called for dialogue. Wang urged the United States and South Korea, as well as the North, not to increase tensions, saying the situation already is at a "critical point."

Chinese state media on Monday acknowledged that North Korea had to be punished for its missile tests, but criticized the United States for its "arrogance."

Today's WorldView

What's most important from where the world meets Washington

The effectiveness of the new sanctions depends on how well China, in particular, decides to enforce them, said Michael J. Green of the Center for Strategic and International Studies, who was an Asia expert in the George W. Bush administration.

More broadly, Green said, the time for effective diplomacy has almost certainly run out. There is little to no chance that North Korea can be talked out of weapons it considers essential, he said.

"The North Korea strategy for decades has involved both carrots and sticks. The problem is that the carrots are no longer credible," he said.

Gearan reported from Washington.

missiles that could reach the United States. The vote is very welcome.

But going beyond alarm to effective action has long been the hard part and is not getting any easier. Every military option carries the risk of

setting off a devastating war; regime change, which would be the best outcome for the long-suffering North Korean people, does not appear to be imminent. What remains is some combination of persuasion, negotiation and coercion. The target

of this is a belligerent leader of a country that has, over decades, repeatedly negotiated in bad faith. Not simple at all.

The latest round of sanctions prohibits North Korea from buying, selling or transferring coal, iron, iron ore, seafood, lead and lead ore to other countries, and attempt to restrict North Korean labor abroad, among other things. By some estimates, if fully implemented, the punishment would cut North Korea's foreign earnings by \$1 billion, or about a third.



Blair

The United States has spent 25 years trying to stop North Korea from developing nuclear weapons. It has failed.

North Korea long ago crossed the nuclear threshold. It is now at the stage of fine-tuning nuclear weapons and developing long-range delivery systems. The government has embedded nuclear weapons in the nation's constitution; North Korea means business in saying that its nuclear weapons are not up for negotiation, no matter how many carrots the United States can possibly offer.

Nuclear weapons, in other words, are here to stay in North Korea, unless the United States uses military force to remove them — a dangerous and bloody undertaking.

Yet the United States still has an indirect way to deal with the North Korean provocations. It can entertain a long-overdue but usually dismissed course of action: answering North Korea's call for normalizing relations and removing the animosity between the two nations. In this scenario, the Trump administration would make a couple of things utterly clear to the North's leaders. First, that their provocations are suicidal: If they launched a nuclear strike on the United States or its allies, South Korea and Japan, they would be annihilated. Second, if they stop the provocations, Washington will formally end the Korean War with a peace treaty and normalize relations — even if the North remains a nuclear power.

This option is not a politically palatable one at the moment. Nor is it a panacea for the problems Washington has with Pyongyang. But it would free the United States from being the primary target of North Korea's nukes and missiles

Evening Edition newsletter

The day's most important stories.

However, sanctions are a blunt instrument and can take a long time to have any effect. The sanctions on North Korea, first imposed after the 2006 nuclear test and significantly broadened in 2016, have so far had little discernible impact. Why? Implementation has been spotty and sometimes miserable. Andrea Berger, in a recent report for the Royal United Services Institute, a British think tank, says the U.N. sanctions on North Korea are a "house without foundations." She adds, "The narrative around the UN Security Council table that sanctions are the 'strongest' they have ever

been may be true of their paper form, but is fiction in practice." The problem, she notes, is that North Korea exploits illicit supply networks, individual states don't implement sanctions fully and private-sector firms can often undermine them. "Gaps allow North Korean illicit activity to persist," she says. So far, the Security Council has not taken the full plunge to choke off all economic activity that allows Kim Jong Un's regime to carry on.

President Trump seems to grasp the dangers of North Korea's expanding nuclear and missile programs, but it is not clear what he intends to do, aside from his tweeted broadsides at China. Beijing's role in any

solution is large but not singular. This is the kind of security problem that requires deft diplomacy and alliance-building — not the forte of this administration, at least so far. New sanctions are a necessary and potentially useful precondition, but what are the next steps to bring the bellicose North Korean leader to negotiate a verifiable agreement to stop his nuclear and missile programs? We have yet to see a coherent strategy. Nor has Mr. Kim felt the heat.

How to Learn to Live With a Nuclear North Korea

David Lai, Alyssa Blair

and the primary responder to North Korea's provocations. And with the removal of the basic animosity and the establishment of direct contacts between the two governments and peoples, the United States would put not just North Korea, but also the entire Korean Peninsula, on the path toward lasting peace.

Roads not taken

There were previous chances to stop the North's route toward being a nuclear power by normalizing relations. The first miss occurred during the dramatic changes in the aftermath of the Cold War. Russia, the successor of the imploded Soviet Union, took the initiative to normalize relations with South Korea in 1991, ostensibly in return for economic incentives. China surprisingly followed suit immediately, putatively for the same reason. The two big powers also sponsored the two Koreas to become full members of the United Nations in 1992 (prior to that, the Koreas were only observers). Meanwhile, the United States failed to take similar action to normalize relations with North Korea, instead preserving the Cold War system in northeast Asia.

It was Henry Kissinger who, as national security advisor in the 1970s, proposed the idea of "cross-recognition" of the two Koreas by the two opposing camps — the Soviet Union and China on one side and the United States and Japan on the other — as a solution to ease tension on the Korean Peninsula. No one seriously entertained Kissinger's idea at the time, nor did anyone foresee the vast changes that would follow the end of the Cold War.

Had the United States normalized relations with North Korea, and put a formal end to the Korean War by a proper peace treaty, North Korea

would have had no need to pursue nuclear weapons.

Had the United States normalized relations with North Korea, and put a formal end to the Korean War by a proper peace treaty, North Korea would have had no need to pursue nuclear weapons. Indeed, feeling abandoned by Russia and China and facing continued hostility from the United States and its allies, Japan and South Korea, North Korea felt extreme concern about its national survival; as a result, it viewed nuclear weapons as a necessity.

The United States lost a similar opportunity during last decade's six-party talks to use the normalization of relations to put the North Korean nuclear weapons program away for good. Yet while North Korea asked for normalization of relations, the United States insisted on first getting North Korea to the path of "complete, verifiable, and irreversible disarmament" (CVID) and even taking the first steps toward it. The United States failed to see that CVID was the ultimate goal, and thus making it a precondition before dealing with North Korea's security concern was doomed to result in a stalemate. After all, how can one expect a weaker state like North Korea to disarm first? The stalemate and deep-seated distrust eventually led to the collapse of the six-party talks. Then entered the Obama administration's "strategic patience" policy, which made no progress toward the U.S. goal, but left North Korea to build up its fighting capabilities.

It is now more reasonable for the United States to move on from its original goal. In bringing North Korea to the negotiation table, Washington should not make a North Korean promise to denuclearize as a precondition. Pyongyang will never accept this,

and diplomacy will be stifled in the cradle.

Washington, for its part, needs to see normalization of relations in the right light. It is not a reward to one's enemy, but rather a recognition of the reality of a functioning government and a country under its administration. It indicates that the two countries respect each other's sovereignty and agree to have regular and direct contacts between the governments and the peoples. Save for France and Estonia, Europe has already normalized ties with North Korea. It is overdue for the United States to do the same.

Getting to normal

Normalization of relations does not mean endorsement of the other side's conduct nor does it have any implication for policies of regime change or improvement of human rights conducts in the other nation. They are entirely separate issues.

But with normalization of relations the United States will be in a better position to deal with North Korea on any issue of mutual concern. Human rights organizations will have the opportunity to address concerns in North Korea directly, rather than observing from the outside. Moreover, U.S. companies and brands could also conceivably move into North Korea. Direct economic interactions between the United States and North Korea might bring about changes that the United States has long pressed for but could not achieve.

Living with a nuclear North Korea does not mean endorsing North Korea's nuclear weapons program, much like the cases with India, Pakistan, and Israel. They are all in violation of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). The difference in North Korea's case is the unending animosity and the direct threat North

Korea's nukes and missiles pose to the United States. If the bitterness is removed, the North's nukes become less of a problem.

Once Washington normalizes its relations with North Korea, there is every reason to expect Seoul and Tokyo will follow suit. When President Richard Nixon made his historic visit to China in February 1972, Japan, sensing the wind blowing the other way, normalized relations with China six months later. It took the United States another seven years to do so, with President Jimmy Carter acting against enormous domestic

opposition.

The U.S. normalization of relations with North Korea should not come at the expense of the U.S. security commitments to South Korea and Japan. But if the normalizing of relations spurs Pyongyang to rethink reunification in peaceful terms, it could save the United States from the indirect responsibility of protecting its allies.

Living with a nuclear North Korea does not mean the United States will stop trying to persuade Pyongyang to give up its weapons.

Living with a nuclear North Korea does not mean the United States will stop trying to persuade Pyongyang to give up its weapons. But with the United States no longer the "archenemy" of North Korea, it would not have to bear the brunt of North Korea's nuclear weapons problem. North Korea's nuclear weapons will become a problem for China first and foremost, not the United States. Such a shift may be a precondition to earning China's full support in any quest for a nuclear-free Korean Peninsula.

The basic truth is that states acquire arms when they see war coming,

imminent or remote; they lay down arms when they no longer feel the threat. The United States is now in a position to hasten that latter, happier outcome.

The views expressed in this article are those of the authors and do not necessarily reflect the official policy or position of the U.S. Army War College, the Department of the Army, the Department of Defense, or the U.S. Government.

POLITICO Trump's North Korea strategy: A lot like Obama's

By JACQUELINE KLIMAS

President Donald Trump has vowed a "very severe" response to North Korea's escalating development of missiles and nuclear weapons. But behind closed doors, the Trump administration is pursuing a strategy that's not all that different from Barack Obama's.

Administration officials are saying privately that a preventive military attack is "not on the table," said Bruce Klingner, a veteran intelligence agent who works as a senior research fellow for northeast Asia at the influential Heritage Foundation. Instead, he said, they're pursuing a five-part strategy similar to what the Obama administration employed — one that includes increasing pressure on both North Korea and the other countries that facilitate Kim Jong Un's weapons program.

Story Continued Below

Other elements of the strategy include increasing military readiness and capabilities, building up U.S. missile-defense capabilities and expressing openness to diplomatic discussions with Pyongyang — but refusing to negotiate while North Korea until it accepts the premise it must give up its nuclear program.

Pieces of that strategy played out in recent days — with no sign yet of ending North Korea's defiance. On Saturday, the United Nations Security Council unanimously approved a U.S.-supported sanctions package that threatens to cut off about a third of North Korea's exports, although questions remain about how strictly countries will enforce the penalties. Secretary of State Rex Tillerson opened the door Monday to negotiating a rollback of sanctions if Kim stops his missile testing — but North Korea responded with an aggressive statement that threatened military action against the U.S.

In spite of the saber rattling and mixed messages about what it will take to bring North Korea to the table, Klingner said that, privately, the administration has a more "coherent strategy" than it might seem.

"The Trump administration to date has not yet distinguished its policy toward North Korea from that of Obama," he added. "The president and others have been talking tough about sanctions, as Obama did, but have not yet followed through on any significant increase."

Other experts agree that, despite Trump's declarations that he's abandoning Obama's "strategic patience" with North Korea, the basic strategy of ramping up pressure on the regime to end its missile program is a carryover from the past eight years.

"I would certainly agree that the bellicose rhetoric has increased under the Trump administration, but the policy of trying to ratchet up pressure on North Korea using sanctions and offering talks only after North Korea meets some onerous preconditions is similar to the Obama administration," said Kelsey Davenport, director of nonproliferation policy at the Arms Control Association.

But at least the public rhetoric from Trump's team and other Republicans has toughened in recent months. Sen. Lindsey Graham (R-S.C.) said last week that the president told him he would be willing to start a war with North Korea — regardless of the huge casualties likely to result in the region — if that's what it takes to keep Kim from developing missiles and nuclear weapons capable of striking the U.S.

"If thousands die, they're going to die over there. They're not going to die here," Graham said, adding that Trump "has told me that to my face."

Trump's appointees have similarly stressed that military options are not off the table. While U.S. Ambassador to the United Nations Nikki Haley stressed that a peaceful resolution would be preferable, she said after last weekend's sanctions vote that America is "prepared to do whatever it takes to defend ourselves and our allies."

Unlike Obama, Trump has also taken repeated public swipes at China and its unwillingness or inability to help defuse the crisis with North Korea. These criticisms often take the form of tweets, with Trump saying last month that he is "very disappointed in China," which could "easily solve this problem."

Asked about the disconnect between its behind-the-scenes strategy and its public rhetoric, Klingner said the administration "just has trouble with its signaling and messaging."

The North Koreans most recently launched an intercontinental ballistic missile on July 28, and experts estimated that the weapon had the power to hit in the U.S. mainland as far as Denver or Chicago.

That fact "has everybody's attention," said Rep. Robert Pittenger (R-N.C.), vice chairman of the House Financial Services Terrorism and Illicit Finance Subcommittee, which has investigated North Korea's illicit efforts to acquire missile and other military technologies.

Pittenger said he thinks the administration saw Kim "as a goofy guy, but now with all these tests, he's very provocative." He added: "They are the single biggest threat to our security we have right now."

At the Pentagon, spokesman Capt. Jeff Davis declined to get into specifics about steps the administration is considering, saying the military plans for any situation.

"We are always looking at military options. We don't have anything to announce, though," he said.

If the Trump administration wants to do something different, think tank experts suggest that taking military action or withdrawing completely are both bad solutions. They also say there's no magic fix to the problem and, ultimately, the best path may just be more of the same.

Some experts advocate for increased sanctions on North Korea and on the Chinese banks that facilitate the regime's missile program.

The president often complains that China isn't doing enough to help stop North Korea from developing its nuclear weapons. But Klingner said Trump is also not doing enough when it comes to secondary sanctions, such as financially penalizing Chinese banks that participate in the U.S. financial system but do not follow American rules and regulations.

Klingner pointed specifically to the sanctions the U.S. imposed on the Bank of Dandong in late June for its dealings with North Korea. He urged those sanctions like this on top of those approved by the United Nations.

Pittenger also urged more sanctions against North Korea.

He said one first step would be passing an amendment to the House version of the fiscal 2018 National Defense Authorization Act H.R. 2810 (115) that would prohibit the Defense Department from doing business with telecommunications firms — mainly Chinese government telecommunications organizations — that support North Korean cyberattacks.

Davenport said, however, that sanctions alone are not going to change North Korea's behavior and urged the administration to pair

sanctions with a diplomatic strategy to begin negotiations.

"Sanctions can provide leverage to get North Korea to the negotiating table. Then you test the possibility of an agreement," he said.

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THE WALL STREET JOURNAL

Ben Otto and Jake Maxwell Watts in Manila and Farnaz Fassihi at the United Nations

Defying pressure from new United Nations sanctions, North Korea threatened to use nuclear weapons against the U.S. if militarily provoked and said it would "under no circumstances" negotiate on its nuclear and missile weapons programs.

North Korean Foreign Minister Ri Yong Ho on Monday delivered the strongly worded statement to reporters on the sidelines of an Asian regional security conference hours after U.S. Secretary of State Rex Tillerson vowed to implement the stiffest sanctions yet imposed on the Pyongyang regime.

Washington is seeking to build support in its campaign to pressure North Korea to give up its nuclear program after the country launched ballistic missiles last month capable of reaching the U.S. The sanctions adopted unanimously by the Security Council over the weekend had the crucial support of China, North Korea's chief economic partner, and Russia.

Mr. Ri's statement rejected assertions by some Security Council members that North Korea's military programs constituted a global threat and said they were instead a legitimate option for self-defense "in the face of a clear and real nuclear threat posed by the U.S."

If the U.S. attacks North Korea, the country "is ready to teach the U.S. a severe lesson with its nuclear strategic force," the statement said. Other countries were not being threatened unless they joined the U.S. in a military attack, it said.

North Korea also vowed to forge ahead with its nuclear and military programs, in a statement from its mission to the U.N. In the statement, North Korea blamed the U.S. for the sanctions and criticized the countries that had endorsed the resolution.

"The unwise conduct of the U.S. will only speed up its own extinction," North Korea said in the statement, adding that the U.S. was getting "more frenzied and desperate" instead of learning to coexist with the country.

North Korea Says It Would Use Nukes Only Against U.S. (UNE)

Diplomats said the reaction from North Korea showed that the new sanctions would have an impact. "Ultimately, the regime bears responsibility for these sanctions. They hold the key to creating conditions for their removal," said the U.K.'s ambassador to the U.N., Matthew Rycroft.

The sanctions are meant to close loopholes that have allowed the rogue regime to cultivate trade, financing and labor ties, thereby generating revenue to support its nuclear and military programs. The sanctions ban trade in coal, iron and other items with North Korea and bar countries from employing North Korean laborers and entering into joint ventures with Pyongyang.

The sanctions resolution aims to cut a third, or \$1 billion, from North Korea's annual foreign revenue.

Earlier Monday, Mr. Tillerson said that if North Korea wants talks with Washington, it must first stop launching missiles.

"That would be the first and strongest signal," he said. "We have not had extended periods of time where they were not taking some type of provocative action by launching ballistic missiles."

Asked how long a missile moratorium would have to last to be taken as a signal, Mr. Tillerson said, "We'll know it when we see it."

Mr. Tillerson said the next step for the U.S. is to see that sanctions are fully enforced around the world. The U.S. will monitor that carefully, he said, and have "conversations" with any country not fully embracing both the spirit of the sanctions and their "operational execution."

On Monday, President Donald Trump received an intelligence briefing and spoke for an hour with Mr. Tillerson and Chief of Staff John Kelly to discuss North Korea, the White House said.

At a dinner for conference attendees Sunday, North Korea's Mr. Ri told his South Korean counterpart that Seoul's offer last month of talks lacked "sincerity," Yonhap News reported, citing a South Korean government source. The offer came from the administration of new South Korean President Moon Jae-

in, the country's first left-leaning president in nearly a decade.

Sunday night, Mr. Moon requested a call with Mr. Trump, in which the two leaders discussed North Korea's July 28 launch of an intercontinental ballistic missile, the White House said, as well as the U.N. sanctions.

Asia remains divided on how best to address North Korea's effort to produce a long-range nuclear missile. Some experts say they believe North Korea could develop a missile capable of handling atmospheric re-entry as early as next year. It is uncertain whether North Korea has developed the technology to miniaturize a nuclear device for such a missile.

Australia and Japan said in a joint statement with the U.S. that they were pushing the international community to enforce sanctions and impose additional diplomatic and economic measures. China and Russia say they prefer diplomatic engagement with North Korea, despite supporting the sanctions, and have called on the U.S. to end military exercises in the Korean Peninsula.

Speaking in Manila on Monday, Chinese Foreign Minister Wang Yi stressed Beijing's commitment to the Security Council's resolution, but noted the potential economic impact on China.

"Given China's traditional economic relationship with North Korea, the price paid in implementing the resolution will mainly be paid by China," Mr. Wang was cited as saying in a statement posted Tuesday to the Foreign Ministry's website.

Le Luong Minh, the Vietnamese secretary-general of the Association of Southeast Asian Nations, the conference host, said in an interview that most of its members "are not for unilateral [actions] and largely not for sanctions. We are for mutual existence."

The difference of opinion has left an opening for Kim Jong Un's regime, experts say, because it is able to maintain enough diplomatic and economic ties to continue developing weapons while stopping short of agreeing to negotiate.

"We are all forgetting that North Korea has only one card to play and no amount of talking or sanctions will change their mind," said James Chin, director of the Asia Institute at the University of Tasmania and an expert on North Korean sanctions evasion.

North Korea's recent missile tests surprised the international community with their capability. One of the missiles would be able to fly more than 6,400 miles, according to one analysis, putting Los Angeles, Denver and Chicago within range.

In his statement, Mr. Ri said the North Korean regime was seeking nuclear capability as a deterrent and wouldn't use the weapons against any country except the U.S. unless another nation aided in an attack against North Korea.

Washington had sought the U.N. sanctions against Pyongyang to make the conflict an international issue, Mr. Ri said. The world was "becoming gradually aware of the danger" of Mr. Trump's "America First" policy of prioritizing U.S. interests in international affairs, Mr. Ri added.

Mr. Tillerson meanwhile briefed allies Japan and South Korea on U.S. efforts to urge countries in Africa, Asia and the Middle East to stop using North Korean contract labor, a U.S. official said. The secretary called the practice "a human-rights concern because of the unfair treatment, trafficking conditions and misuse of wages," according to the official.

The latest U.N. action makes clear that there is "no daylight among the international community as to the expectation that North Korea will take steps" to denuclearize the Korean Peninsula, Mr. Tillerson said.

—Louise Radnofsky and Min Sun Lee contributed to this article.

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North Korea Rails Against New Sanctions. Whether They Will Work Is Unclear. (UNE)

Jane Perlez and Rick Gladstone

The Trump administration has hailed the latest United Nations sanctions against nuclear-armed North Korea as the most severe yet, and the North's fury over the penalties suggested they carried some sting.

In a staccato of outraged reactions on Monday to the sanctions imposed over the weekend, North Korea threatened retaliation against the United States "thousands of times" over, vowed to never give up its nuclear arsenal and called the penalties a panicky response by an American bully.

But it is unclear at best, experts on sanctions say, whether the measures will hinder North Korea's nuclear militarization or even crimp its economy.

The sanctions are aimed at pressuring North Korea into negotiating, with the goal of renouncing its nuclear weapons. But Kim Jong-un, the North's leader, has repeatedly said that the country's nuclear capabilities are crucial to its self-defense.

North Korea's foreign minister, Ri Yong-ho, reinforced that point, denouncing the new sanctions on Monday in Manila at a regional ministerial meeting that was also attended by Secretary of State Rex W. Tillerson.

"We will, under no circumstances, put the nukes and ballistic rockets on the negotiating table," Mr. Ri said in a statement.

"Neither shall we flinch even an inch from the road to bolstering up the nuclear forces chosen by ourselves unless the hostile policy and nuclear threat of the U.S. against the D.P.R.K. are fundamentally eliminated," Mr. Ri said, using the initials for the Democratic People's Republic of Korea, North Korea's official name.

In a more ominous response, North Korea's official news agency said, "There is no bigger mistake than the United States believing that its land is safe across the ocean."

Like all United Nations sanctions imposed on North Korea for more than a decade, the effectiveness of the new round, which American officials say could cost North Korea's government about \$1 billion annually, depends on faithful enforcement by China and to a lesser extent Russia.

Both countries joined in the Security Council's unanimous vote on

Saturday to penalize North Korea. But neither China nor Russia has a strong record of policing sanctions against the North. China, the North's major benefactor by far, is reluctant to squeeze its economy for fear of causing instability on its borders.

The sanctions adopted by the 15-member Council left important elements of the North Korean economy untouched. For example, the resolution did not sanction oil imports, which are critical to the functioning of the North Korean state.

Further, North Korean laborers who work overseas and send remittances home — money that the United Nations says is used in the weapons program — will be allowed to stay abroad. The new sanctions cap the current number of workers overseas, but stop short of calling for those who already work abroad to return to North Korea.

"The number cited by the Trump administration assumes China and Russia will implement the resolution," said Anthony Ruggiero, a senior fellow at the Foundation for Defense of Democracies, a Washington-based research group, referring to the \$1 billion that the sanctions could slash from North Korea's export revenue. "Eleven years of United Nations sanctions resolutions prove they will not."

The new sanctions were a direct reaction to two North Korean tests last month of intercontinental ballistic missiles that appeared capable of reaching the continental United States.

After passage of the resolution, President Trump tweeted: "China and Russia voted with us. Very big financial impact." The American ambassador to the United Nations, Nikki R. Haley, said the measures showed "we're not playing anymore" with North Korea.

The new measures prohibit all exports of North Korean coal, iron, iron ore, lead ore and seafood. They put new restrictions on North Korea's Foreign Trade Bank, forbid the country to increase the number of workers sent abroad and strengthen oversight of North Korean shipping.

The measures also place a cap on new investment and new joint ventures in North Korea.

China had already agreed this year to stop importing North Korean coal, and despite scattered reports of smuggling of coal shipments, that

prohibition appears to have held, Chinese and Western experts say.

The North's iron ore exports, which also go mainly to China, have dwindled in the past several years, they say. North Korean seafood — crab, lobster, shrimp and other shellfish — is sold to wholesalers in China, where it ends up at large buffet displays in major hotels.

The seafood hauls from North Korean boats, whose crews are mostly army personnel, have increased over the last few years, but the revenue to the state from seafood is not as high as from the metals trade, economists say.

China officially welcomed the new sanctions. The Foreign Ministry in Beijing said they were necessary, and, at the United Nations, the Chinese ambassador, Liu Jieyi, urged North Korea to "cease taking actions that might further escalate tensions."

In supporting the United Nations measures, and winning good will from the Trump administration by doing so, China appears to have delayed an unpalatable set of sanctions that Washington was getting ready to impose on China itself.

The Treasury Department has been working on a series of so-called secondary sanctions against Chinese banks and corporations that do business with North Korea and help facilitate its access to foreign exchange.

But the administration will want to give China a chance to enforce the new United Nations sanctions, and will be hesitant to alienate Beijing by immediately imposing sanctions on Chinese organizations, said Bonnie S. Glaser, senior adviser for Asia at the Center for Strategic and International Studies.

Even though China has long considered North Korea a close ally, though a wayward and often irritating one, it could stomach United Nations sanctions against the North, she said. But Beijing vehemently opposed sanctions by Washington against Chinese institutions, particularly banks, that help the North, she said.

"Agreeing to tightening U.N. sanctions was a price that Beijing was willing to pay to avoid being hit with U.S. secondary sanctions on Chinese banks," she said.

Another consideration for the administration: Mr. Trump's daughter Ivanka Trump and her

husband, Jared Kushner, are scheduled to visit China next month. The Chinese foreign minister, Wang Yi, said this weekend that China was preparing to welcome Mr. Trump before the end of the year. It was unlikely that Washington would want to sour relations before the visits by imposing the secondary sanctions.

This means the Chinese companies that give the North access to American dollars and other currencies would be essentially free to continue their business unabated, Mr. Ruggiero said.

"The U.S. will give China and Russia time to implement the resolution while Chinese companies, individuals and banks facilitate Pyongyang's sanctions evasion," he said.

Chinese banks and enterprises are critical to North Korea's access to foreign exchange, Mr. Ruggiero said. Since 2009, North Korea has used Chinese entities to process at least \$2.2 billion in transactions through the United States financial system, Mr. Ruggiero said in congressional testimony last month.

By allowing North Korea to continue sending workers abroad, the Security Council missed an easy target for crimping revenue, said Joseph DeThomas, a former State Department official who specialized in sanctions against Iran and North Korea.

"By just capping labor, you leave the field open to easy evasion by having additional workers work off the books," Mr. DeThomas said.

Sixty thousand to 80,000 North Korean workers are employed overseas, many in heavy construction jobs in appalling conditions, according to human rights groups.

The United Nations "just locked in North Korea receiving at least \$500 million a year for the practice" of sending laborers abroad, Mr. Ruggiero said.

During a low point in relations between China and North Korea this year, the Global Times, a state-run newspaper that sometimes reflects Beijing's views, suggested that China might be willing to reduce the amount of oil it sends to North Korea. Without Chinese crude oil, North Korea's economy would be imperiled.

The United Nations sanctions did not touch oil imports, which

appeared to be a step too far for China, Mr. Ruggiero said.

Mr. DeThomas offered a mixed view

of the latest sanctions.

"I am not saying it was not a good thing to do," he said. "I am saying it is probably too little, too late. Other

cards will have to be played by China, the U.S. and South Korea if something very damaging, bloody and politically catastrophic is to be avoided."

THE WALL STREET JOURNAL

North Korea Sanctions Meet Skepticism in Southeast Asia

Jake Maxwell
Watts

diplomat is expected to address the gathering later Monday.

MANILA—Diplomacy is preferable to sanctions as a means to pressure North Korea to give up its nuclear program, the head of Southeast Asia's diplomatic forum said, offering lukewarm support for the latest U.S.-led moves to cut off Pyongyang's ability to fund weapons development.

Most of the 10 members of the Association of Southeast Asian Nations are "not for unilateral [actions] and largely not for sanctions. We are for mutual existence," Le Luong Minh, the group's secretary-general, said in an interview Monday.

Mr. Minh was speaking on the sidelines of a gathering of regional foreign ministers in Manila, also attended by U.S. Secretary of State Rex Tillerson and ministers from other Asian nations including China and Japan. North Korea's top

Washington has led a fresh push to isolate the North Korean regime in response to Pyongyang's tests last month of two intercontinental ballistic missiles. The launches surprised the international community by demonstrating that North Korea now has the theoretical capability to strike targets as far away as the U.S. mainland.

Mr. Tillerson discussed North Korea with his Asian counterparts over the weekend in an effort to shore up support for the U.S. approach. Washington is seeking further coordinated moves, including tougher sanctions, to persuade the North Korean regime to abandon its weapons program.

Several Southeast Asian countries maintain diplomatic relations with North Korea, and trade with the country where such activities don't breach sanctions.

The United Nations on Saturday passed the strongest sanctions yet against Pyongyang after a month of negotiations on the measures, which were introduced by the U.S. The resolution is meant to close loopholes that have allowed the rogue regime to cultivate trade, financing and labor ties to support its nuclear program.

Southeast Asia is widely seen by sanctions experts as a region where North Korea has been allowed to do business relatively freely. The bloc hasn't imposed its own sanctions against the regime as the U.S. and European Union have done.

"Any effective attempt to put pressure on Pyongyang would have to involve the Philippines, and Southeast Asia more broadly," said Sheena Greitens, an assistant professor of political science at the University of Missouri whose research has focused on North Korea. "A lot of its remaining business operations and financial

flows are in the region, including illicit and arms-related activity," she said.

Southeast Asian countries, as members of the United Nations, are committed to enforce sanctions against North Korea and have condemned the regime's continued development of missiles capable of carrying nuclear weapons. "These developments seriously threaten peace, security and stability in the region and the world," Asean foreign ministers said in a rare separate joint statement Saturday apart from their usual joint communiqué. "In this regard, we strongly urge [North Korea] to immediately comply fully with its obligations under all relevant U.N. Security Council resolutions.

THE WALL STREET JOURNAL

Editorial : The Latest North Korean Sanctions Show

The Trump Administration and the United Nations Security Council are heralding Saturday's Resolution 2371, which imposes new sanctions on North Korea. But as Pyongyang sprints to the ICBM finish line, the insistence that this resolution will succeed when others failed is—let's be kind here—hard to believe.

On the positive side, Saturday's agreement completely bans trade in North Korean coal instead of capping it as U.N. Resolution 2321 did in November. Chinese companies evaded those sanctions by transshipping coal through third countries. Any coal shipments will be proof of cheating under the new sanctions, meaning Beijing will be exposed faster if it fails to hold up its end.

Coal is Pyongyang's biggest export

earner, accounting for 40% of its exports and 10% of GDP by some estimates. The U.S. projects that the new sanctions will cut \$1 billion from the \$3 billion the regime earns in annual exports. If China follows through, it would show that loyalty to an ally is yielding to fears of a nuclear crisis on its border.

Also potentially significant is tightened control over financial transactions with North Korea. The U.S. designated Pyongyang a "primary money laundering concern" in May last year, opening up financial institutions that do business in U.S. dollars with the regime to secondary sanctions. North Korean front companies tried to use other institutions and currencies to continue trading. Saturday's resolution extends that ban to all convertible currencies and institutions, including trading companies. China could be

embarrassed if its companies continue to cheat, assuming that it cares.

The problem is that the resolution falls short in significant areas. It merely caps the employment of North Korean workers in other countries, meaning that Pyongyang can continue to earn money from exploiting the slave labor of its own citizens to earn hard currency that is funneled to the regime. Most of these workers are in China and Russia.

The resolution also allows foreign companies in existing joint ventures with North Korea to carry on doing business. Most important, China's sales of crude oil and refined-oil products to North Korea are left untouched. Cutting off these could bring down the regime, and Beijing's refusal to use this leverage shows

that it still sees value in Kim Jong Un's survival.

North Korea reacted with fury on Monday, so the new sanctions must have some potential to bite. But the real test, as ever, will be China's enforcement. Did Chinese leaders agree to these new steps because they want to avoid even tougher U.S. action, including U.S. sanctions against Chinese firms? Or is this a genuine attempt to squeeze the North at long last to give up its nuclear weapons?

More than a decade of evidence suggests the answer is the former, and the new sanctions mean the U.S. will now have to delay further action to see if they work. If they don't, the U.S. will have to call China's bluff sooner rather than later.



Will Trump's hardball tactics work on China and North Korea?

Jennifer Lind

(CNN)As North Korea develops an intercontinental nuclear capability, President Donald Trump has veered from forbearance to frustration regarding China's role. Earlier this summer Trump told Chinese President Xi Jinping, "I appreciate

the things that you have done" on North Korea; more recently, however, his tweets have been laced with irritation. "They do NOTHING for us with North Korea, just talk," Trump declared. "We will no longer allow this to continue. China could easily solve this problem!"

Beijing may have temporarily mollified the Trump administration, which was pleased by Chinese support for tighter UN sanctions against North Korea. But despite Washington's hopes, China won't solve the North Korea problem, regardless of how often the Trump

administration insists that it can or must.

90%

of North Korea's trade, including vital imports such as food and oil. Furthermore, North Korean businesses have set up

joint ventures

with Chinese firms, which allow Pyongyang access to the global economy. Beijing could crack down on these relationships.

While China has leverage, it won't use it to pressure North Korea. As I found in recent conversations with scholars and government officials in Beijing, the Chinese diagnose the problem and its solution very differently, and have very different interests at stake.

The Americans see North Korea as a dangerous rogue state that broke international law to acquire nuclear weapons. But China sees North Korea as motivated by insecurity. The Chinese say that because the United States and South Korea are so much more powerful, and because the United States goes around the world toppling governments, it's no wonder that Pyongyang wants nuclear weapons. In their view, North Korea is not the menacing rogue state; America is. "You need to understand," several people in Beijing told me, "the Americans are the source of their fear."

How to solve the problem? The Chinese feel "unfairly burdened" (as a recent China Daily

op-ed

said) at being seen as the key to a solution. In their view, Washington, not Beijing, is the key; only the Americans (by reducing North Korea's fear) can influence Pyongyang.

The Chinese urge the United States to stop the military exercises with South Korea that frighten the North, give security assurances to Pyongyang, and withdraw military forces from South Korea. (Washington does not see these as bargaining chips but as essential for maintaining readiness and

deterrence on the peninsula.)

China also has very different interests at stake. While North Korea's intercontinental nuclear capability is a game-changer for the Americans, it isn't for the Chinese, who have already been living with North Korean nuclear weapons.

China worries most about political stability on the Korean peninsula. The Chinese fear that serious economic pressure would risk causing Kim Jong Un's regime to collapse, which could

unleash chaos

on the peninsula, and usher in a variety of long-term problems.

The Chinese worry that North Korean regime collapse would send refugees flooding across their border, and are alarmed by the prospect of military intervention by South Korea and the United States. Bruce W. Bennett of RAND and I

modeled

the requirements for military missions in a post-collapse North Korea: for example, humanitarian relief, border control operations, and missions to find "loose nukes." Performing these missions would require hundreds of thousands of troops.

Imagine this scenario from China's perspective: the prospect of serious instability, and massive military intervention by two powerful armies, right on its border. Because China

intends to intervene

as well, this scenario has the potential for dangerous escalation. This -- not a North Korean intercontinental strike capability -- is Beijing's nightmare.

Then there are the longer-term concerns. The Chinese face a potential demographic problem in Jilin province, in Yanbian autonomous prefecture, where a

substantial amount of the population is ethnically Korean. (Many North Koreans fled there during the years of famine.) Beijing worries that the area's demographics will become too Korean, encouraging secessionist feeling. The Chinese Communist Party already has enough of this on its hands in Tibet, Xinjiang, and Taiwan.

North Korean collapse, and Korean unification, also have implications for the broader military competition between China and the United States. North Korea currently provides a buffer between China and American troops in South Korea.

The Chinese fear that if Korea unifies, American troops would remain, and China would lose this buffer. The Chinese also say that they like that North Korea preoccupies US diplomacy, military planning, and force structure: that without the North Korean thorn in the American side, Washington might turn its gaze toward Taiwan and the South China Sea.

Thus while the Chinese certainly would prefer that North Korea not have nuclear weapons, their greatest fear is regime collapse. "At times China will probably put more pressure on North Korea," one Chinese scholar told me, "but we will not fundamentally change our position."

Getting Beijing to act against its own interests will be hard, if not impossible, and will require more than frustrated tweets (

dismissed

by China's state media as "emotional venting"). To get China to act against its own interests, the Trump administration would have to make a deal. What does China want that Washington could give it?

But a deal acceptable to both sides probably doesn't exist. The sorts of

carrots, capitulations, or concessions that Washington would have to dangle at Beijing would have to be big -- really big (perhaps related to the US-Japan alliance, South China Sea, or Taiwan). But, with its many treaty allies and interests in East Asia, Washington would be unwilling to offer that kind of carrot.

Which brings us to sticks. The Trump administration could try to convince Beijing that Washington simply will not live in a world with a North Korean intercontinental strike capability: that if Beijing won't help try economic coercion, the administration will use force against North Korea.

This is probably what the Trump administration is doing. Sen. Lindsey Graham

called

war "inevitable": "There will be a war with North Korea over the missile program if they continue to try to hit America with an ICBM. (Trump has) told me that. I believe him." Similarly, Nikki Haley, the US Ambassador to the United Nations,

said

"The time for talk is over." Haley

declared

that "The US is prepared to use the full range of our capabilities to defend ourselves and our allies," and that "One of our capabilities lies with our considerable military forces." While such rhetoric is ostensibly a warning to Pyongyang, it may be a warning to China as well: that unless Beijing uses its leverage, the chaos it is so desperate to avoid is coming.



China's ready for war — against the U.S. if necessary

Graham Allison

To mark the 90th birthday of the People's Liberation Army on Aug. 1, China's President Xi Jinping went to the Inner Mongolian steppe to the site where Genghis Khan began his conquest of Eurasia. There, at Zhurihe, he was welcomed by an impressive display of China's martial might: a parade of Chinese troops, tanks, helicopters, aircraft and missiles. But the main course was a massive war game demonstrating the state of China's preparation to "fight and win" future military conflicts.

For what war is the PLA preparing?

Recent events should make the answer abundantly clear. In July, North Korea conducted two ICBM tests that put the American heartland within reach of its nuclear weapons. In response, the U.S. flew two B-1 bombers over the Korean peninsula to send the message, in the words of Pacific Air Forces commander Gen. Terrence J. O'Shaughnessy, that the U.S. is "ready to respond with rapid, lethal and overwhelming force at a time and place of our choosing."

President Trump has directed his ire at China, tweeting after the North Korean missile test: "I am very disappointed in China ... they do

NOTHING for us with North Korea, just talk. We will no longer allow this to continue."

If Chinese and American forces once again meet in Korea ... the PLA will not at all resemble the low-tech army of the past.

Xi's parade, along with recent Chinese military maneuvers, sends an equally unambiguous message: If war breaks out on the Korean peninsula, China is ready to protect its national interests. A major pillar of Xi's program for "making China great again" is building a modern military fully "capable of fighting and winning" a 21st century war —

including, if need be, against the United States.

In recent months, China has moved additional military units to its border with North Korea. It has established new fortifications and 24-hour video surveillance using aerial drones. But PLA special forces and airborne troops have begun repeatedly drilling for missions that go far beyond closing the border or establishing a buffer zone: They appear to be preparing to push deep into North Korea in the event of crisis.

Those who doubt China's willingness to act, or its ferocity,

should review what happened in 1950. That June, North Korea invaded South Korea and would have gained control of the peninsula had the American-led United Nations Command not come to the rescue. With little thought for how China — which had barely 1/50th the GDP of the U.S. — might react, allied forces under Gen. Douglas MacArthur pushed North Korean troops back across the 38th parallel and advanced rapidly toward the Yalu River bordering China. U.S. intelligence officers discounted the possibility that China might intervene on behalf of the North.

Nonetheless, MacArthur awoke one morning to find the vanguard of a 300,000-strong Chinese army slamming U.S. and allied forces. Caught off-guard, American units suffered severe losses. One regiment of the U.S. 1st Cavalry Division lost 600 men in close combat in a matter of hours. In the weeks that followed, what MacArthur and his fellow

commanders had dismissed as a “peasant army” not only halted the U.S. advance but beat allied forces back to a stalemate at the 38th parallel.

If Chinese and American forces once again meet in Korea — perhaps in what Gen. Raymond Thomas has warned could become a “vertical track meet” to secure the North’s nuclear weapons — the PLA will not at all resemble the low-tech army of the past.

In 1991, Chinese leaders were stunned by the devastating effectiveness of the U.S. military during Operation Desert Storm in Iraq, when it defeated Saddam Hussein’s forces in less than a month with fewer than 150 U.S. combat deaths. Watching America’s “full-spectrum technological dominance” via space-based navigation and surveillance systems, long-range precision-guided bombs and radar-evading stealth aircraft, Chinese leaders

determined to acquire the technical capabilities to counter and ultimately surpass what they referred to as “American magic.”

Accordingly, Xi has made it his mission to ruthlessly rebuild and reorganize China’s armed forces on a scale that Russia’s foremost expert on the Chinese military, Andrei Kokoshin, calls “unprecedented.” And the Pentagon is taking notice. Its annual report on the Chinese military, released in June, warned that the PLA had “modernized its conventionally armed missile force extraordinarily rapidly,” while the PLA Air Force was also “rapidly” closing the gap with the U.S.

“The world is not peaceful,” Xi said at Zhurihe, warning, “we need more than any period in history to build a strong people’s military.” Notably, the exercises there featured Chinese forces facing off against a “Blue Force” modeled on the command structure, technology,

weaponry and tactics of the United States.

As Secretary of Defense James N. Mattis keeps saying, North Korea is a “clear and present” threat. Events there could drag the U.S. and China into a major war neither wants. Especially in the context of Thucydides’ Trap — the dangerous dynamic when a rising power threatens to displace the ruling one — once military machines are in motion, misunderstandings and miscalculations could escalate all too easily to a catastrophic conflict no one intended.

Graham Allison is a professor of government at Harvard Kennedy School’s Belfer Center for Science and International Affairs and the author of “Destined for War: Can America and China Escape Thucydides’s Trap?”

THE WALL STREET JOURNAL

Raid on Venezuelan Base Got Help From Active Officers

CARACAS, Venezuela—Venezuela’s defense minister said Monday that authorities were still looking for a small group of rebels—including active military officers—who raided an army base and stole weapons early Sunday.

The dawn raid, which led to three deaths, was an embarrassment to the government by underscoring how easily a group of civilians and former soldiers raided the ammunition depot of the Paramacay artillery base, home to an armored brigade.

The government said the attackers made off with close to 100 AK-103 assault rifles and a handful of grenade launchers. The incident in Valencia, the country’s third-largest city, left two attackers dead, according to the government.

“I call to reject these vile acts of treason against the fatherland,” Defense Minister Gen. Vladimir Padrino said in a televised speech Monday.

The attack further ratcheted tensions in Venezuela following four months of antigovernment unrest

and raised fears that government opponents could begin to arm themselves for conflict.

One protester was shot dead in Valencia during a demonstration in support of the attack. Security forces also dispersed protesters throughout the country into Monday morning.

The assailants were aided by Paramacay’s ammunitions keeper, Lt. Yefferson Garcia, said Gen. Padrino.

The brazenness of the attack and the complicity of active officers raises questions about the military’s willingness and ability to defend an increasingly unpopular government of President Nicolás Maduro, said Nicholas Watson, London-based political risk analyst at Teneo Intelligence.

“The fact that security was breached in this way, and weapons apparently seized, will be a major concern for the regime,” he said. “This is highly unlikely to be the last such uprising.”

The attack appears to have been focused on acquiring arms, rather than triggering a military uprising, said Luis Esculpi, a Venezuelan

military analyst and former head of the congressional defense committee. The raid is the first significant sign of antigovernment groups seeking to arms themselves against Mr. Maduro, he said.

“This is very worrying, because it could be putting Venezuela in a situation of pre-civil war,” he said.

The raiding party was led by a National Guard Capt. Juan Caguaripano, who deserted in 2014 in protest at the government’s increasingly authoritarian tilt. He has since given a few interviews with media from hiding. He remained at large Monday.

Venezuela’s opposition alliance has relied on peaceful demonstrations to pressure Mr. Maduro to call general elections, which polls show he would lose. Mr. Maduro has responded with repression and moved ahead with installing an all-powerful assembly, tasked with consolidating his power.

The repression has led to an increasingly violent response at protests from radical government opponents, who say peaceful

demonstrations have failed to produce political change.

“Until now we have seen the civil society marching [against Mr. Maduro] with whistles and flags,” said Rocio San Miguel, security expert at the policy group Citizens Control, in Caracas. “But a sense of defeat, desperation could produce in the medium-term groups that are prepared to take up arms to achieve their goals.”

A retired Venezuelan general, Heberto Garcia Plaza, said he was told by active duty officers that Capt. Caguaripano had also taken 188 40 mm grenades and seven shoulder-held grenade launchers. He said he feared that armed resistance groups would soon emerge.

“When the right of political expression is stolen from you, the only thing that is left is insurgency,” he said.

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THE WALL STREET JOURNAL

McGurn : Speak for Venezuela, Pope Francis

William McGurn
When Pope Francis wants to make the objects of his disfavor feel his sting, he’s never lacked for words—especially when it involves the U.S.

But when it comes to the brutality of Venezuela’s government against its own people, Pope Francis and the Vatican have mostly avoided calling out Nicolás Maduro by name. Until Friday, that is. That’s when a popular uprising in Venezuela finally pushed the Vatican to oppose the

regime’s bid to tighten its grip by imposing an illegitimate super-assembly to rewrite the constitution.

Even this late in the day, the Vatican’s expression of “profound concern” is better than nothing. Particularly welcome is Rome’s call

for Mr. Maduro to “suspend” the new assembly. Still, it’s hard not to notice that in sharp contrast to Venezuela’s bishops—who recently tweeted a prayer to “free our homeland from the claws of communism and socialism”—even the toughest Vatican statement on Venezuela

has all the zing of a World Bank communiqué calling for more resources for a clean-water project in Moldova.

How different the tone is when the subject is Donald Trump or Uncle Sam. Whether suggesting that Mr. Trump is not Christian, warning on Mr. Trump's inaugural day that populism can lead to Hitler, or implying that ours is an economy that "kills," Pope Francis has an argot of displeasure all his own.

It's absence here is particularly striking. Because for an example of a populism that leads to totalitarianism or an economy that kills, it's hard to beat oil- and mineral-rich Venezuela, whose citizens have now been reduced to picking through garbage cans while their leaders ratchet up the repression. Not to mention Cuba's military-socialist colonialism.

As for the bishops, good ones are not given to criticizing their pope publicly, and Venezuela's are no exception. But they may be speaking more frankly in private. In a June 11 article headlined "Stop being soft on our despot, Venezuela's bishops tell Francis,"

the Economist reported on a meeting six bishops forced onto Francis' schedule when they flew to Rome in June—uninvited.

Two months earlier, the bishops put it this way: "We have to defend our rights and the rights of others. It's time to very seriously, and responsibly, ask if civil disobedience, peaceful demonstrations, appeals to the national and international public power, and civic protest, are valid and opportune measures."

Defenders of the Francis approach have been assuring everyone the pope's reluctance to speak forthrightly against the regime, and his preference for talking about "both sides" as if they are morally equal, is part of a larger plan. In particular they claim that those criticizing the pope for his silence were playing into Mr. Maduro's hands, given how the Venezuelan strongman likes to chide his country's bishops for impeding the "dialogue" he and Francis have called for.

The events of the past week have shattered any silly pretense about some master Vatican plan. But the

roots of Pope Francis' misreadings run deeper than Venezuela. In some ways, it is but the latest reflection of a historic misunderstanding that has often led a poor and Catholic Latin America to blame its wealthy and Protestant neighbor to the north for all its woes.

Just last month, for example, Pope Francis fed this trope by accusing the United States of having a "distorted view of the world." At nearly the same time, a semiofficial Jesuit-run Vatican journal carried an article decrying an alliance between American Catholics and evangelical Protestants as an "ecumenism of hate." On top of it all rests the old idea, still popular on the religious left, that socialism represents the Gospel ideal.

The Acton Institute's Samuel Gregg was probably closer to the mark when he recently put it this way: "Venezuela's crisis doesn't fit into Pope Francis's standard way of explaining contemporary political and economic problems. It's very hard for the pope to blame Venezuela's problems on the tyranny of Mammon, financial speculation, free trade agreements,

arms-dealers, nefarious 'neoliberals,' or any of his usual list of suspects."

The ironies here are legion. In the latter half of the 20th century, Latin American liberation theologians posited a "people's church" pitted against a "formal church" whose hierarchy was aligned to the military dictatorships that prevailed in much of the continent. Before he was elected pope, Jorge Mario Bergoglio faced precisely this claim in the accusation that he did not adequately criticize the military regime that ruled his native Argentina during his time as the head of its Jesuit community.

Today Catholic priests and bishops are courageously defying a Venezuelan regime that has hijacked what was once the richest nation in Latin America and driven it to poverty and despotism. At this dark hour, don't the struggling people of Venezuela deserve some public inspiration from the first Latin American pope?

The New York Times Obama Weighs In on Kenyan Election, Urging Calm

Peter Baker

Former President Barack Obama, emerging from partial seclusion more than six months after leaving office, weighed in on Monday about the tense political situation — not in the United States, but in his father's home country, Kenya.

Mr. Obama, who has largely stayed out of the fierce debates that have consumed the United States since President Trump took over in January, opted to speak out about the hotly contested presidential election scheduled for Tuesday in Kenya, where voting in recent years has been followed by violence.

"I urge Kenyan leaders to reject violence and incitement; respect the will of the people; urge security forces to act professionally and neutrally; and work together no matter the outcome," he said in a statement. "I urge all Kenyans to work for an election — and aftermath — that is peaceful and credible, reinforcing confidence in your new Constitution and the future of your country. Any disputes around the election should be resolved peacefully, through Kenya's institutions and the rule of law."

Few voices from outside Kenya could resonate more powerfully than that of Mr. Obama, whose father, Barack Obama Sr., was a Kenyan student who met and married

Stanley Ann Dunham in Hawaii but left about a year after their son was born.

As president, Mr. Obama in 2015 made a high-profile visit to Kenya, where he was celebrated as the country's most famous son even as he urged the country to fortify its fragile democracy, tackle corruption, overcome ethnic divisions and protect human rights.

The campaign that ends on Tuesday has produced little evidence that Kenya has heeded his advice. In recent days, the campaign has been marked by a break-in at the vice president's country estate, the killing and apparent torture of a senior election official, and reports of plans to rig the vote for President Uhuru Kenyatta and stage an armed raid on one of the opposition's tallying centers. Talk of "fake news" has flavored the campaign debate as international observers, including former Secretary of State John Kerry, seek to ensure a fair vote.

Mr. Obama expressed disappointment in the campaign so far. "In Kenya's election we have already seen too much incitement and appeals based on fear from all sides," he said. "But I also know that the Kenyan people as a whole will be the losers if there is a descent into violence. You can make clear that you will reject those that want to deal in tribal and ethnic hatred."

A violent reaction seems like a real possibility given Kenya's recent history. After a disputed election in 2007 in which the opposition leader Raila Odinga lost, spasms of violence left at least 1,300 people dead and 600,000 displaced from their homes. In 2013, after Mr. Odinga lost again, this time to Mr. Kenyatta, he claimed he had been robbed of victory.

Mr. Odinga, a former prime minister, is running again, his fourth campaign for the presidency, and he and Mr. Kenyatta were virtually tied in recent polls. In a country riven by tribal rivalries, Mr. Kenyatta, 55, has the support of many Kikuyus and Kalenjins, while Mr. Odinga, 72, is strong among the Luos, Luhyas and Kambas.

Mr. Obama, whose father was Luo, urged Kenyans to put those divisions aside. "The choices you make in the coming days can either set Kenya back or bring it together," he said. "As a friend of the Kenyan people, I urge you to work for a future defined not by fear and division, but by unity and hope."

Analysts said many Kenyans would pay attention, even if there are limits to Mr. Obama's influence. "Will Obama's statement shift behaviors in Kenya? No," said William M. Bellamy, a former ambassador to Kenya who is now a professor of international relations at Simmons

College. "But it provides a basis for judging the success or failure of these elections." The standard set by the president and international observers, he added, "will have a big impact on how Kenyans themselves assess the validity of their elections."

The former president's decision to speak out on Kenya's election was a striking departure from his general approach since leaving the White House. He has remained largely out of the issues in Washington as Mr. Trump seeks to unravel much of his predecessor's legacy. Although Mr. Obama has issued written statements at critical moments in the debate over replacing his health care program, he has for the most part left it to his former advisers and other Democrats to wage a rear-guard battle on behalf of his programs and policies.

"President Obama has a unique stature in Kenya and has issued similar statements about past Kenyan elections," said Benjamin J. Rhodes, a longtime foreign policy adviser to Mr. Obama. "The stakes are enormously high as there is a grave risk of violence and instability around the election, and it's important for the Kenyan people to hear his voice at this pivotal moment."

Zuma to Face No-Confidence Vote, This Time by Secret Ballot

Kimon de Greef

CAPE TOWN — Over his eight increasingly embattled years in power, President Jacob Zuma of South Africa has fended off five parliamentary no-confidence motions that would have forced him from office. On Tuesday, he is to face another, with a difference: Lawmakers will vote anonymously.

The speaker of Parliament, Baleka Mbete, announced late on Monday afternoon that a vote of no confidence would take place by secret ballot, following a request from a coalition of opposition parties.

More than 60 of the 249 lawmakers from Mr. Zuma's party, the African National Congress, would have to rebel for the motion to pass — something analysts still deem unlikely. But he may find it harder to contain a bitter factional struggle within the A.N.C., which has dominated South African politics since the end of apartheid in 1994.

Mr. Zuma has come under increasing pressure as evidence of high-level corruption in his administration has mounted, most recently with a trove of leaked emails that appeared to expose the extent of links between senior A.N.C. officials and an influential family, the Guptas.

The motion requires only a simple majority to pass South Africa's 400-member Parliament.

If the motion passed, Mr. Zuma and his entire cabinet, including deputy ministers, would have to step down, with Ms. Mbete becoming interim president, though he would remain president of the A.N.C.

The party's chief whip in Parliament, Jackson Mthembu, said on Friday that voting against Mr. Zuma would be "tantamount to throwing a nuclear bomb" at South Africa, and that only a "bewitched" party would vote against its own president.

After Ms. Mbete's ruling on Monday, a national spokesman for the A.N.C., Zizi Kodwa, said on Twitter that the party had "full confidence" that its members would vote to keep Mr. Zuma. And several small opposition parties, including the Communists, said they would vote against the measure.

Mr. Zuma has survived three no-confidence votes in Parliament. Another was amended into a vote of confidence, and then passed; yet another was withdrawn. He has also withstood an attempted impeachment motion, in 2016, and twice defeated votes challenging him as the party's leader.

Leaked emails released in May, suggesting collusion between the Gupta family — which owns large companies in the technology, media and mining sectors — and senior A.N.C. members, has built pressure on Mr. Zuma as South Africa's economy has slid into recession, its first since 2009.

The family's relationship with the presidency has introduced a new portmanteau term into the South African political lexicon — "Zupta" — and prompted a critical report last year from the public protector, a national anti-corruption figure.

Somadoda Fikeni, a political analyst, said the no-confidence motion was unlikely to succeed, even in a secret ballot. "The A.N.C. doesn't want to be seen changing its leadership on the back of pressure from the

opposition, even though half the party believes that Mr. Zuma has become a serious political liability," he said.

A more serious challenge to Mr. Zuma may come in December, when the A.N.C. is to hold its national conference and elect its next leader.

"The President's opponents in the A.N.C. — and there are many — have clearly decided to wait until December to try and get rid of him," said a political analyst, Steven Friedman. "The fight that matters is taking place within the party. Until we have millions of people marching on the streets, instead of merely thousands, the A.N.C. is going to remain focused on this internal struggle."

Mr. Friedman cautioned in an opinion essay last week that the secret ballot could set a damaging precedent.

Protesters gathered in Cape Town on Monday afternoon, led by a coalition of civil society and religious leaders called #UniteBehind. A brief but spirited counterprotest by members of the A.N.C.'s Umkhonto We Sizwe Military Veterans Association, numbering some 50 people, was disbanded by police.

The marchers were addressed outside Parliament by Mcebisi Jonas, a former deputy finance minister axed by Mr. Zuma in a contentious cabinet reshuffle in March.

The protest, organized by a coalition of more than 20 civil society organizations, was a "call for accountability from A.N.C. members," said its organizer Mandisa Dyantyi, deputy secretary

general of the Social Justice Coalition, which helped organize the protest. "They're in Parliament to represent the people who elected them, not their party," she said.

Mr. Jonas — who has accused a member of the Gupta family of offering him a bribe, a claim the family has strongly denied — told the protesters: "We cannot allow our freedom to be sold so cheaply. We have to fight. We're gathered here to shape the future of this country."

"This march is a distraction from the real issues in South Africa," said Banzi Siwe, 23, a student, who added: "Compared to what the white people stole before, this is nothing."

Two further protests are planned in Cape Town for Tuesday, one led by opposition parties and one in support of Mr. Zuma by the A.N.C. branch for the Western Cape metropolitan area. This has spurred fears of clashes between rivals. "The likelihood of this turning into violence is our biggest concern," said Nomfundo Mogapi from the Center for the Study of Violence and Reconciliation, a local think tank.

Khaya Yozi, a spokesman for the A.N.C. in Cape Town, said that the party's members "would not be provoked" by opposition protesters. "We need to set aside the divisions within our party and protect the A.N.C."

Correction: August 7, 2017

An earlier version of this article referred incorrectly to a spokesman for the African National Congress, Zizi Kodwa. He is a man, not a woman.

Gerson : Rex Tillerson is a huge disappointment

Michael Gerson

If Cabinet members are to be judged by the gap between expectation and performance, Rex Tillerson is among the worst. He was supposed to be one of the adults in the room, a steadying force. But Tillerson has managed to be both ineffectual and destabilizing — unfamiliar with the workings of government, unwilling to provide inspirational leadership, disconnected from American values and seemingly hostile to the department in his care.

Who would want to be known as the secretary of state who retreated from the promotion of justice and democracy? Yet this is exactly what Tillerson seems to desire.

To a certain kind of corporate mind, a statement of organizational purpose — following a bottom-up, 360-degree, consultant-driven review process — is a big deal. The one currently under consideration at the State Department (according to an internal email obtained by my fellow Post columnist Josh Rogin): "We promote the security, prosperity and interests of the American people globally." In contrast, the previous version called for "a peaceful, prosperous, just and democratic world."

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Let's set aside the offensive clunkiness of the new statement. No, let's not. Organizations such as corporations have statements of purpose. Institutions such as the State Department have traditions, values and missions. Tillerson's new purpose statement could be adopted by any country in the world with the change of one adjective — the "Russian" people or the "Belgian" people. This involves a crude reductionism. ExxonMobil may measure its success in interests and profits. But the United States is a nation dedicated to the principle that all are created equal. If our country does not stand for a "just and democratic" world, who will?

This sad and serious shift — begun in President Trump's inaugural address — has been carried forward by Tillerson. In early remarks to State Department employees, the new secretary of state said that the promotion of American values "creates obstacles" in pursuit of American interests. The administration's proposed budget essentially zeroes out democracy promotion funding. Tillerson refused (against tradition) to personally unveil the State Department's annual human rights report.

Here is a story for Tillerson to consider, told to me by a United States senator who was in Africa confronting a leader about human rights abuses. At one point during their testy exchange, the

(increasingly) oppressive ruler said, "Well, Trump is on my side." The senator, to his credit, responded, "Trump doesn't even know your name." Which is probably true. But the impression that the United States no longer cares about human rights has filtered down to third-rate despots everywhere.

Every American president since World War II has believed that our nation benefits from the spread of economic and political freedom. Oppressive regimes are more likely to seek destabilizing weapons and to harbor terrorists. Democratic nations are more peaceful and more likely to engage in trade. Democratization (for the most part) cannot be imposed, but it can be

encouraged — unless that great, defining national mission doesn't fit in the PowerPoint presentation.

Meanwhile, Tillerson's organizational review has been employed as an excuse to avoid making key hires. He complains that the government is "not a highly disciplined organization." And surely there is room to consolidate proliferating State Department bureaus and to rationalize management structures. But under what theory of reorganization would the State Department not have assistant secretaries covering Europe, East Asia, Latin America and the rest? Just a single assistant secretary position has been permanently filled.

Tillerson's aloofness, his public criticisms of the department and his support for drastic budget cuts (including for embassy security) have naturally had an effect on morale. And why is morale valuable? As secretary of state, George Shultz motivated (much of) a naturally skeptical department to implement President Ronald Reagan's foreign policy vision. As secretary of state, Condoleezza Rice motivated (much of) a naturally skeptical department to support President George W. Bush's freedom agenda.

If the Trump administration continues to treat professional staff as the "deep state" enemy, the department will be in a mix of

despair and revolt. Bureaucracies cannot be reorganized or threatened into effectiveness. They must be led and inspired. People must know that loyalty goes both ways. They must believe that the ultimate goal is to strengthen, not undermine, the institution they have dedicated their lives to serve.

As of now, there is no reason for State Department employees to believe this. In Trump world, tearing down institutions is a mark of virtue. This type of radicalism was once familiar on the hard left ("burn, baby, burn"). It may be more effective in the hands of a bland capitalist.

ETATS-UNIS



Editorial : Actually, Republicans Are Standing Up to Trump

The diligence of congressional Republicans in holding Donald Trump's presidency in check has so far inspired little confidence. Even some Republicans have been disappointed. "To carry on in the spring of 2017 as if what was happening was anything approaching normalcy required a determined suspension of critical faculties," Republican Senator Jeff Flake of Arizona wrote. "And tremendous powers of denial."

All true. Yet this may be changing. Republicans are slowly, and perhaps even surely, beginning to use their constitutional authority to put some limits on a reckless presidency. It's a shift that should be recognized -- and encouraged.

Last week, before leaving Washington for their August recess, senators voted unanimously to hold

pro forma sessions through the rest of August. The move is inconvenient, requiring a senator to preside briefly every few days over an otherwise empty chamber. But it was also crucial.

With Trump raging against special counsel Robert Mueller's investigation into his affairs, the Senate made it impossible for Trump to fire Attorney General Jeff Sessions, a feared first step in targeting Mueller, and replace him with a recess appointment. Trump could still fire Sessions, but with the Senate officially in session, his replacement would require Senate confirmation, making it more difficult to install a chief law enforcement officer who is primarily concerned with protecting Trump.

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In a related act of Congressional defiance, both houses voted overwhelmingly in late July to sanction Russia for its attempts to influence the 2016 U.S. election, among other misdeeds. The vote was an unstated but obvious rebuke to Trump, who seems never to miss an opportunity to excuse Russian behavior. Meanwhile, two Senate Republicans are proposing separate bipartisan bills that seek to shield Mueller's probe from meddling by Trump.

Noteworthy silences are on the rise as well. Flake, a consistent critic of Trump, just published a book in which he condemned the "Faustian bargain" of appeasing the president's dysfunction and affronts to rule of law. Trump partisans attacked it harshly, but Flake's

Republican Senate colleagues didn't.

"Under our Constitution, there simply are not that many people who are in a position to do something about an executive branch in chaos," Flake wrote. "As the first branch of government (Article I), the Congress was designed expressly to assert itself at just such moments."

Flake is right again. Members of Congress have unique powers, and this confers unique responsibilities. To minimize the damage from a turbulent presidency, Republicans need to accept those responsibilities, and discharge them.



Milbank : Trump finally starts winning — by copying Obama

President Trump appears to have found himself a new national security adviser.

His name is Barack Obama.

Recent days have brought evidence of two foreign policy successes for the Trump administration:

The Daily 202 newsletter

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

On Friday, a top State Department official who has served in the Obama and Trump administrations announced that gains against the Islamic State have picked up sharply and that the militants have lost 78 percent of their territory in Iraq and 58 percent in Syria. The Washington Post's headline (which the White House circulated in an email): "Under Trump, gains against ISIS have dramatically accelerated."

Then, on Saturday, China and Russia joined in a unanimous U.N. Security Council vote to approve a U.S.-sponsored resolution with

tough new sanctions on North Korea, a forceful world response to that country's missile tests.

The United Nations Security Council unanimously approved tough new sanctions on North Korea on Aug. 5, including a ban on exports worth over \$1 billion. The United Nations Security Council unanimously approved tough new sanctions on North Korea on Aug. 5, including a ban on exports worth over \$1 billion. (UNTV)

(UNTV)

These two developments, in addition to being successes, had another thing in common: In both cases, the Trump administration essentially embraced Obama administration policies — policies Trump previously derided as a "total failure." The Trump administration, at least temporarily, shelved the president's bellicose rhetoric, made some tweaks to his predecessor's strategies and pursued a course of relative continuity.

On North Korea, Trump has long been making threats and ultimatums, promising "severe

things” and raising the possibility that South Korea and Japan could build nuclear arsenals. He was harshly (if vaguely) critical of the Obama administration’s handling of North Korea, saying Obama and Hillary Clinton — who were pushing for tougher sanctions — weren’t being strong enough.

And now? Last week, Secretary of State Rex Tillerson offered soothing words about North Korea: “We do not seek a regime change, we do not seek a collapse of the regime, we do not seek an accelerated reunification of the peninsula, we do not seek an excuse to send our military north of the 38th Parallel,” he said. “We are trying to convey to the North Koreans: We are not your enemy, we are not your threat.”

Those words cleared the way for China and Russia to support the sanctions resolution at the United Nations on Saturday, as The Post’s Karen DeYoung reported. Representatives of both countries mentioned Tillerson’s statement in casting their votes, with China’s

representative saying, “Our hope is that the United States will translate these ‘four no’s’ into a firm policy.”

Under the headline “Trump’s North Korea policy resembles Obama’s,” Politico on Monday reported that administration officials were privately sending signals that a preemptive attack on North Korea is “not on the table” (although national security adviser H.R. McMaster says otherwise in public) and that “the Trump administration is pursuing a five-part strategy similar to the strategy undertaken by the Obama administration.”

On the Islamic State, likewise, Brett McGurk, a top State Department official under both Obama and Trump, announced that steps taken by Trump — notably his delegation of decision-making authority from the White House to commanders in the field — contributed to the reclaiming of 8,000 square miles of Islamic State territory.

Trump’s decision to give more authority to field commanders makes the military more nimble.

The Obama White House was justifiably criticized for its plodding micromanagement of military strategy. Former Obama defense secretary Robert Gates, among others, complained about the “centralized and controlling” Obama national security team.

But this change is a message — not a reversal — of an Obama strategy Trump repeatedly derided as “weak” and a “disaster.” By the time Trump took over, the territory controlled by the Islamic State had already fallen substantially from its peak in early 2015.

Trump promised to replace the Obama strategy with a “secret plan” of his own. But, as DeYoung reported, Trump’s Islamic State strategy “looks very much like the one the Obama administration pursued”: denying territory to the militants while avoiding conflict with Iran and staying out of Syria’s civil war.

Trump’s decision to free field commanders to make quick decisions comes with downsides,

which explains the Obama White House’s reluctance to delegate. As gains against the Islamic State have accelerated, reports indicate that civilian casualties are also up sharply. Trump is also relying more on Russia than Obama did to keep Syrian government forces from interfering in the U.S.-led coalition’s fight against the militants. Still, these differences are matters of degree, not a wholesale change from Obama’s strategy.

It’s not as if Trump is about to usher in a third term for the Obama national security team, nor would that necessarily be desirable. But even if these two cases turn out to be isolated and temporary, they show that within the Trump administration there is at least some instinct to tone down the wild talk and, ever so quietly, to bend to reality.

Trump ‘working vacation’ draws scrutiny



Jordan Fabian

Yet it’s difficult for the public to get a sense of what Trump’s days are really like.

BRIDGEWATER, N.J. — President Trump is on day four of a 17-day getaway at his secluded New Jersey golf course that his team is billing as a “working vacation.”

Trump aides have told reporters to expect a constant hum of activity over the next two weeks, including meetings with lawmakers, Cabinet officials and senior aides on issues like healthcare and tax reform.

Top aides and advisers are cycling in and out of the Trump National Golf Club, which is set on 600 acres surrounded by farmland in the town of Bedminster. On Tuesday, Health and Human Services Secretary Tom Price (Tom) Edmunds Price: Trump was joking about firing me States may see up to 39 percent decline in Medicaid funding under repeal Complaint charges Price used campaign funds to promote Trump appointment MORE will brief Trump on the nation’s opioid crisis.

Chief of staff John Kelly, who is staying on the property, has met multiple times with the president to discuss crises overseas.

Ivanka Trump and Jared Kushner, Trump’s daughter and son-in-law who serve as senior advisers, have remained at the club all three days along with Kelly. Vice President Pence plans to visit for a day, according to a White House official.

Members of the media and some Trump aides are staying roughly 12 miles away at a Marriott located in an office park in suburban Bridgewater.

The press hasn’t been allowed onto the club grounds thus far and the White House has been reluctant to describe modifications that have been made there to allow Trump conduct business, such as office space or meeting areas.

The White House has not released a daily schedule of Trump’s activities and, unlike past presidents, has refused to say whether he is playing golf. It’s unclear whether Trump will cross paths with New Jersey Gov. Chris Christie, a top ally during the campaign who is now the most unpopular governor in the country, during his stay.

Deputy press secretary Lindsay Walters told The Hill there are Sensitive Compartmented Information Facilities (SCIFs) set up at the club and the hotel for Trump and his team to receive classified intelligence briefings.

The only glimpses of Trump have come from videos and photos posted to Instagram and Twitter of him riding in a golf cart and glad handing with club members and wedding guests, fueling mockery of

his claim that his New Jersey jaunt is “not a vacation.”

The knocks on Trump has been heightened by his attacks on former President Obama over his commitment to the job and his claim he wouldn’t take vacations as president.

“President @BarackObama’s vacation is costing taxpayers millions of dollars----Unbelievable!” Trump tweeted in 2012 during the former president’s winter getaway in Hawaii.

“Congress should get back to Washington, but @BarackObama doesn’t want to interrupt his vacation in Martha’s Vineyard,” he tweeted during Obama’s summer vacation the year prior.

Despite that criticism, White House observers say Trump would be wise to use his time in the 8,200-person town an hour’s drive west of New York City as an opportunity to recharge his batteries after a tumultuous six months in the White House.

“All presidents needs to get vacations to get away from the grind like everyone else does,” said Brandon Rottinghaus, a presidential historian at the University of Houston, adding he has little doubt Trump will spend time working.

The trip coincides with a major renovation project West Wing that has forced members of his team across the street to the Eisenhower Executive Office Building.

“The fact is there is no exclusive vacation for a president where they can sit on the beach like entire day like we do,” he said. “The apparatus of government must continue, no matter where the president is. So when he is taking a working vacation, it means he is taking a working vacation.”

Trump began his day Monday like he would a typical workday at the White House: with an intelligence briefing, likely in the Bedminster SCIF. The president and his chief of staff also phoned Secretary of State Rex Tillerson Rex Wayne Tillerson Tillerson avoids contact with North Korean envoy Top Russian official: US, Moscow ready to have further dialogue following sanctions Tillerson, Russian foreign minister meet in Manila: Interfax MORE to discuss a new round of sanctions against Pyongyang.

Deputy national security adviser Rick Waddell is on hand to provide updates for the president and his team and staff secretary Rob Porter is there as well for meetings.

It’s also clear Trump won’t be forgoing Twitter during his trip. He went on an early morning tirade against the news media, his Democratic opponents and the Russia probe, while defending his work ethic against allegations he spends too much time vacationing.

Rottinghaus said that criticism likely won’t go away unless the White House is able to show that Trump is working.

"People need to see it," he said. "These images of the president are too powerful to counter with a list of things the president is doing that day."

President George W. Bush allowed cameras onto his Crawford, Texas, ranch both to show how he spent his down time as well as where he did his work.

While all presidents take respites from Washington, Trump has done it like none of his predecessors have before.

The former real estate magnate owns a number of properties and has put them to use for weekend getaways. He traveled to his Mar-a-Lago club in Palm Beach, Fla.,

THE WALL STREET JOURNAL

Mead : Immigration Anxieties, Then and Now

Walter Russell Mead

It should come as no surprise that the Trump administration has endorsed the Raise Act, a bill by Sens. Tom Cotton and David Perdue to reduce the number of legal immigrants to the U.S. while giving greater priority to highly skilled workers. Immigration reform drove President Trump to victory in 2016, and he is unlikely to drop it now.

Yet immigration has been—and remains—a key to America's success. From colonial times, the country's ability to integrate newcomers has facilitated its economic and technological achievement. From Alexander Hamilton to Albert Einstein to Steve Jobs, immigrants and their children have enhanced American dynamism, challenged American insularity, and played critical roles in developing American power.

But the public doesn't always support a welcoming immigration policy. In 1924 the Johnson-Reed Act reduced legal immigration from the Old World by about 80%. Not even Hitler's persecution of the Jews could persuade Americans to raise the quota.

Four factors turned the U.S. restrictionist in the 1920s. First, the numbers felt overwhelming. In 1910, almost 15% of American adults—3 in every 20—were

earlier this year before shifting north.

The Bedminster property is said to hold a special significance for Trump; his daughter and Kushner were married here in 2009 and he might be buried there, drafting plans for a family cemetery plot in 2014.

Bedminster Mayor Steven Parker has said it could cost his town's government and its 16-member police force \$300,000 to support the president's travel this summer.

"I think it's going to be a big non-event here," he told CBS News in May of the president's visit. "It's flattering that the president enjoys Bedminster like our residents do,

foreign-born.

Second, the immigrants arriving in the early 20th century were overwhelmingly from Eastern and Southern Europe, rather than the traditional source countries in Northern Europe and the British Isles. This wave of migrants was seen as culturally alien and thus a challenge to American values and coherence. The native population's fears amplified racism and xenophobia. The Ku Klux Klan, largely crushed by federal counterterrorism policies in the 1870s, was revived into a restrictionist force that was anti-Semitic and anti-Catholic as well as antiblack.

Third, economic uncertainty was already high. The Industrial Revolution was disrupting society. Family farms, the foundation of middle-class prosperity and security for generations, were failing nationwide. Inequality was rising, incomes for many in the middle class were stagnant or falling, and the new economy was more volatile and offered less security. Native-born rural Americans feared that immigrants would compete for jobs and depress wages, and that their political power would marginalize traditional American values and concerns.

Fourth, a small proportion of immigrants brought violent ideologies with them. Anarchist terrorists had attacked heads of state and political leaders around

but I don't think it's going to be terribly disruptive."

The golf club has been the site of a handful of protests since Trump's inauguration, including a caravan of demonstrators that has periodically driven along the two-lane country road outside the front gate. All was quiet when a reporter drove by this Saturday. Authorities have reportedly barred protesters from congregating alongside the road.

Trump could pay a visit to another one of his favorite properties during his time off: Trump Tower in New York City.

Walters said that the president plans to visit the Big Apple next week for meetings. She declined to

detail the president's schedule, including whether he will stop by the Fifth Avenue high rise where he lived before entering the White House.

Trump has said before he's stayed away from his former home because it would disrupt New Yorkers' lives.

"The reason I am staying in Bedminster, N. J., a beautiful community, is that staying in NYC is much more expensive and disruptive. Meetings!" he tweeted in May.

the world. Luigi Galleani, an Italian immigrant to the U.S., organized mainly other immigrants and inspired attacks—valorized as "propaganda of the deed"—against prominent people and institutions. His disciples were believed responsible for a 1920 Wall Street bombing that killed 38. Russia's Bolshevik Revolution also sparked fears that immigrants might carry the "bacillus" of communism.

Do these factors sound familiar today? Immigration levels are at historic highs, the cultural gap between immigrants and the native population is wide, the economic outlook for many Americans is troubled, and a (very) small number of immigrants sympathize with horrific ideologies abroad. A fifth and serious additional factor, not paralleled in the early 20th century, is the presence of millions of illegal immigrants. As Mr. Trump understood, illegal immigration corrodes public sympathy for high levels of legal immigration.

Meanwhile, some of the classic arguments in favor of immigration may need to be re-examined. If automation will destroy millions of routine jobs in the next decade, how much unskilled labor does the U.S. require?

Nevertheless, America still needs immigrants. Their talent and dynamism are more vital than ever. If U.S. companies want to maintain their technological edge and profitability in a competitive world,

they need skilled immigrant workers. Immigrants create jobs and industries, making the future brighter for all Americans, while paying into the country's hard-pressed social-insurance system.

Yet history suggests that when public opinion sours on immigration, policy eventually follows. Now that process may be getting under way. Public dissatisfaction with the relatively liberal immigration policies in place helped drive the 2016 election. The Raise Act is provocative, perhaps intentionally so. But giving greater priority to highly skilled immigrants, while reducing total numbers, might secure the many benefits of a liberal immigration regime while reducing the political fallout. Properly designed, a new system might offer Silicon Valley and other employers better access to the specialized professionals they need, while also addressing the politically potent concerns of Mr. Trump's populist base.

America's ability to welcome and integrate immigrants remains one of its strengths, but history suggests that a dogmatic insistence on the current policy may well stoke an anti-immigrant backlash. It is more prudent to accommodate these concerns than to defy them.

Mr. Mead is a fellow at the Hudson Institute and a professor of foreign affairs at Bard College.

Bloomberg

Fox : The Past, Present and Future of U.S. Immigration

Justin Fox

White House policy adviser Stephen Miller's prickly performance at a news conference last week to discuss new immigration legislation didn't get the greatest reviews. But I actually kind of

enjoyed his response to CNN correspondent Jim Acosta's charge (the quotes that follow are from CNN's transcript of the briefing) that "what you're proposing here, what the president's proposing here does not sound like it's in keeping with

American tradition when it comes to immigration."

Acosta said cutting immigration quotas and favoring skilled immigrants and those who already speak English went against the Statue of Liberty motto of "give me

your tired, your poor, your huddled masses yearning to breathe free." Miller retorted:

Jim, let's talk about this.

In 1970, when we let in 300,000 people a year, was that violating or

not violating the Statue of Liberty law of the land? In the 1990s, when it was 500,000 a year, was it violating or not violating the Statue of Liberty law of the land?

No, tell me what years -- tell me what years -- tell me what years meet -- tell me what years meet Jim Acosta's definition of the Statue of Liberty poem law of the land. So, you're saying one million a year is the Statue of Liberty number; 900,000 violates it, 900,000 violates it?

Since 2000, the number of foreigners granted lawful resident status by the U.S. has averaged about 1 million a year. The new immigration bill introduced last week by Republican Senators Tom Cotton of Arkansas and David Perdue of Georgia and endorsed by the White House would reduce that to an estimated 540,000 people a year within 10 years. This particular bill's chances of getting through Congress appear to be quite slim, but Miller is right that immigration quotas have changed in the past and will surely change in the future, and that the Emma Lazarus sonnet engraved on a plaque at the Statue of Liberty does not offer a reliable numerical guide to how many green cards should be handed out each year. It's a political decision, and political coalitions and calculations change over time.

It does seem important, though, that people be aware of how current legal immigration levels compare with those of past decades and centuries. The proper metric would

seem to be not so much numbers of immigrants as their percentage of U.S. population:

Legal Immigration to the U.S.

Persons obtaining lawful permanent resident status

Sources: Department of Homeland Security, Census Bureau

So legal immigration (1) had generally been rising from the mid-1940s until about a decade ago, (2) has declined a bit since 2006 and (3) is now well below the long-run historical average of 0.45 percent of the population per year. (If you're wondering about that big spike in 1990 and 1991, it's a result of the 1986 immigration legislation that gave illegal immigrants who had arrived in the U.S. before 1982 a path to green cards and citizenship.)

It's important to keep in mind that the foreign-born share of the total population, estimated by the Pew Research Center at 13.4 percent as of 2015, is well above the long-run average and much closer to the all-time highs of the late 1800s and early 1900s. The difference between the two measures can be ascribed partly to the fact that about 11 million of today's 44.7 million foreign-born residents don't have lawful resident status (which before World War I was awarded to pretty much anybody who showed up in the U.S. and wasn't a convict, a prostitute, mentally or physically disabled or, after 1882, Chinese), and partly because declining birth rates in the U.S. mean that

immigration plays a bigger role in population growth now than it did back then.

But back to those legal immigration flows, since that's what the legislation proposed last week addresses. Viewed over two centuries, it's the ultra-low flows from 1931 to the late 1940s -- which followed the enactment of sweeping immigration restrictions in 1917, 1921 and 1924 but were also affected by an economic depression and a world war -- that look like the biggest anomaly, while current immigration levels look pretty normal.

There are those who object that comparisons with the 19th and early 20th centuries are inappropriate, because in that pre-welfare-state era immigrants did not impose the same costs on society that they do now. This is a bigger issue for countries with more generous social programs, some of which have had far more trouble integrating immigrants into the workforce than the U.S. has. Overall, the evidence indicates that immigration continues to represent a net economic gain for this country. But immigration policy definitely did change dramatically in the first half of the 20th century, so I've included a dotted line in the chart showing the average immigration rate since 1933, which is when Franklin Delano Roosevelt took office and started building the American version of the welfare state. 1

Current legal immigration flows are above that average -- 0.33 percent

of the population in 2015 to 0.22 percent on average since 1933. The changes proposed in the Cotton-Perdue legislation would push the rate below that, to about 0.16 percent of the population.

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Both current and proposed flows are way below the 1.12 percent-of-population immigration rate of 1883, when New York poet and Yimby 2 Emma Lazarus beckoned the huddled masses as part of an effort to raise funds for a pedestal for the soon-to-arrive Statue of Liberty. Her words were posthumously added to the monument itself in 1903 after a campaign led by a friend, and there's been a concerted effort in recent months by immigration restrictionists (Miller among them) to discredit them as an illegitimate add-on. That's silly -- the poem now defines the statue, and it has deservedly become part of the American canon. It's also a pretty fair representation of this country's approach to immigration up to about 1917. But as lawmakers in Washington have made clear again and again since then, it's not official U.S. immigration policy.

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

The New York Times Trump Likes When C.I.A. Chief Gets Political, but Officers Are Wary (UNE)

Matthew Rosenberg

ASPEN, Colo. — Sweating under the hot glare of stage lights, Mike Pompeo, the director of the Central Intelligence Agency, had reached the limits of his patience with questions about Russian interference in the presidential election.

"Just look," he snapped during the rare public appearance last month at the Aspen Security Forum. "This is the 19th time you all have asked."

It was, in fact, only the fourth question about Russia that evening. But Mr. Pompeo could be excused for snapping: He runs an agency that is certain Russia meddled in the election, yet serves a president who has dismissed the talk of Russian interference as "fake news" and denounced the investigation into it as a witch hunt.

All C.I.A. directors must balance the political demands of the president

they serve with the agency's avowedly apolitical idea of itself. Yet rarely has a director had to straddle so wide a breach as has Mr. Pompeo, perhaps the most openly political spy chief in a generation — and one of President Trump's favorite cabinet members.

Unlike past directors, who typically sought to avoid policy discussions, Mr. Pompeo readily joins in when the president asks for his opinion, even on matters far afield of national security, such as health care. And he brings to the table the views of a former congressman first elected in the Tea Party wave of 2010 who staked out ground on the far right of the Republican Party.

While in Congress, Mr. Pompeo argued for domestic surveillance on a wide scale, insisted that waterboarding was not torture and dismissed a hunger strike by detainees at Guantánamo Bay, Cuba, as a "political stunt." He said

he believed Hillary Clinton had engaged in covering up the 2012 attacks on the American diplomatic compound in Benghazi, Libya, even after a Republican-led House inquiry found no new evidence to support the claim. Like almost all congressional Republicans, he opposed the Iran nuclear deal negotiated by the Obama administration.

Mr. Pompeo, 53, is just the kind of well-credentialed tough guy Mr. Trump admires. He graduated first in his class from West Point, served as an Army tank officer and went to Harvard Law School. Since arriving at the C.I.A., he has proved eager to push limits, whether they be on covert operations or on calling out the press for what he considers its failings.

Yet the attributes that have endeared Mr. Pompeo to the president — his hawkish politics and eagerness to speak his mind —

have been met with a more mixed reception at the C.I.A. The agency sees its role as delivering hard truths that are unvarnished by political preferences, and there are concerns in the intelligence community that Mr. Pompeo's partisan instincts color his views of contentious issues, such as Russia's interference in the election or Iran's nuclear program.

"The big test is going to be when there's a direct confrontation between the agency and the administration," said Vince Houghton, a military and intelligence historian who is the curator of the International Spy Museum in Washington.

"If you have another Iraq weapons of mass destruction situation, if there is a direct hit on the agency from a Trump tweet or something," he continued, "we'll see whether he's embraced the C.I.A. culture —

and they've embraced him back — versus being loyal to Trump.”

Mr. Pompeo appears to be teaching the C.I.A. to embrace its inner Trump. In response to questions for this article, Dean Boyd, a spokesman for the agency, replied that Mr. Pompeo's “only bias is toward action and winning.”

As a congressman from Wichita, Kan., the home of Koch Industries, Mr. Pompeo was a favorite of the Koch brothers, the conservative billionaires who run the company. But he can still charm an audience of mixed political views, getting laughs at the Aspen Security Forum by cracking wise about things like “this fuzzy little First Amendment,” while attacking favorite Republican targets like the Obama administration and WikiLeaks (failing to mention that he had once cheered WikiLeaks' disclosures).

But Mr. Pompeo knows whom not to criticize — namely, Mr. Trump. Since taking over the C.I.A., Mr. Pompeo has gone out of his way to praise what he describes as Mr. Trump's open-minded approach to intelligence, recasting the president's churlish mocking of American intelligence agencies as the healthy skepticism of a smart leader.

“The president,” Mr. Pompeo said in a public appearance in April, “is completely prepared to hear things that run counter to the hypothesis.”

Asked how he got along with Mr. Trump, Mr. Pompeo answered effusively. “The relationship is, in my sense, fantastic,” he said then.

Administration officials said the president was so taken with Mr. Pompeo that he insisted that the C.I.A. director personally deliver his daily intelligence briefing when in Washington.

(Dan Coats, the director of national intelligence, also takes part.)

“There have been days when I thought we were there, ready to give the brief. I thought, ‘There's not a chance we're getting in today,’” Mr. Pompeo said in April. “And you know, each day, we're in there. It's like clockwork.”

It is only after the briefing, usually in the late morning or early afternoon, that Mr. Pompeo treks across the Potomac River to C.I.A. headquarters in Langley, Va., where his ready access to Mr. Trump is seen as a positive. The agency sees the president as its main customer, and conventional wisdom in Washington holds that a C.I.A. director is only as powerful as his access to the Oval Office is strong.

“Pompeo's ability to communicate in a style in which the president is comfortable, it's probably good news,” said Michael V. Hayden, a former director of both the C.I.A. and the National Security Agency.

“Your job is to tell the president things he does not want to hear,” Mr. Hayden said. “But you've got to walk them to the truth — you just can't slap them in the face with it and run out of the Oval Office.”

Officials say intelligence officers have found Mr. Pompeo to be eager to hear about their work and listen to their concerns. And he has won praise for aggressively pushing to expand espionage and covert operations and promoting veteran officers to senior roles. Last week, he traveled to Kabul to discuss security cooperation with Afghanistan's leaders, including President Ashraf Ghani, in a country where the C.I.A. works closely with Afghan intelligence and agency paramilitary operatives have spent years hunting terrorists.

Current and former C.I.A. officials, all of whom spoke on the condition of anonymity to protect their careers, said there had been no overt pressure from Mr. Pompeo to shade intelligence on any issue since he took over the agency. But they also said Mr. Pompeo had made little secret of his own opinions — something that could impede the kind of intelligence the agency produced, according to Paul R. Pillar, who spent nearly 30 years at the C.I.A. and is now a fellow at Georgetown University.

“When analysts are preparing their assessments, they can't blot out of their mind their awareness of what will be welcome and what will be not welcome,” Mr. Pillar said. “There is the hazard of a bias creeping in, even subconsciously.”

Mr. Pompeo is not the first former congressman to run the C.I.A. He follows Leon Panetta, a Democrat, and the Republicans George Bush, who ran the agency in the final year of the Ford administration, and Porter J. Goss. But none of them faced an issue like the Iran deal where they “had taken a very strong view the way Pompeo has” on a matter that the C.I.A. was still wrestling with, Mr. Pillar said.

“None, to my mind, continued to be as outspoken after taking the directorship,” he added.

Mr. Boyd, the agency spokesman, said that on all issues, Mr. Pompeo “has been adamant that C.I.A. officers have the time, space and resources to make sound and unbiased assessments that are delivered to policy makers without fear or favor.”

But Mr. Pompeo's views were certainly clear last month at Aspen.

Mr. Pompeo went hard at leakers, saying he had moved the C.I.A.'s

counterintelligence operations directly under his control in part to combat the problem. He said it was “unconscionable” that The New York Times had published the name of the agency's Iran operations chief, a senior official who works in Langley but whose identity is classified.

He accused the Obama administration of “inviting” the Russians into Syria, a claim with little traction outside right-wing circles. He also strongly hinted that the United States was considering ways to seek regime change in North Korea. And he all but said Iran had no intention of complying with the nuclear deal.

“Iranian compliance with the nuclear deal is like a bad tenant,” Mr. Pompeo said. “They don't pay the rent, you call them, and then they send a check and it doesn't clear. And then the next day there's this old, tired sofa in the front yard.”

As for Russia's role in the election, he acknowledged that it had meddled, yet he also played down the significance of the interference because it had meddled before.

“It is true, yeah, of course” the Russians had meddled in the election, he said. “And the one before that, and the one before that. They have been at this a hell of a long time. And I don't think they have any intention of backing off.”

Correction: August 7, 2017

An earlier version of this article misspelled the surname of the director of national intelligence. He is Dan Coats, not Coates.

The
Washington
Post

White House reviewing new report that finds strong link between climate change, human activity

A climate report based on work conducted by scientists in 13 federal agencies is under active review at the White House, and its conclusions about the far-reaching damage already occurring from global warming are at odds with the Trump administration's views.

The report, known as the Climate Science Special Report, finds it is “extremely likely” that more than half of the rise in temperatures over the past four decades has been caused by human activity — in contrast to Trump Cabinet members' views that the magnitude of that contribution is uncertain.

The draft report, which has undergone extensive review, estimates that human impact was responsible for an increase in global temperatures of 1.1 to 1.3 degrees Fahrenheit from 1951 to 2010.

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

“Many lines of evidence demonstrate that human activities, especially emissions of greenhouse (heat trapping) gases, are primarily responsible for recent observed climate changes,” the report notes. “There are no alternative explanations, and no natural cycles are found in the observational

record that can explain the observed changes in climate.”

[Third draft of the Climate Science Special Report]

With President Trump doubling down on his anti-climate views, California's governor, Jerry Brown, vows to aggressively battle climate change. With President Trump doubling down on his anti-climate views, California's governor, Jerry Brown, vows to aggressively battle climate change. (Alice Li/The Washington Post)

(Alice Li/The Washington Post)

That counters what Environmental Protection Agency Administrator

Scott Pruitt and Energy Secretary Rick Perry have said.

It remains unclear how the White House — which announced in June that it would pull out of the Paris climate accord — will handle the report. Many scientists are looking at it as a test case of the administration's attitude toward science in general.

“The current situation will provide an acid test of whether the Trump administration is open to hearing the scientific truth about climate change or is so much in the thrall of fossil fuel interests that they are fixated on hiding the reality from the public,” Michael Oppenheimer, a

professor of geosciences and international affairs at Princeton University, said Monday night.

The Climate Science Special Report is a key element of the National Climate Assessment, which, according to the 1990 Global Change Research Act, is supposed to be issued every four years. However, the assessment has come out only three times. The 2000 assessment, finalized under President Bill Clinton, came under attack once George W. Bush took

office. Bush administration officials declined to cite it in subsequent federal reports, arguing that aspects of the data analysis were flawed.

Trump administration officials received a copy of the most recent version of this report several weeks ago, according to senior administration officials.

[Obama left Trump a major climate-change report — and independent scientists just said it's accurate]

The New York Times Government Report Finds Drastic Impact of Climate Change on U.S. (UNE)

Lisa Friedman

WASHINGTON — The average temperature in the United States has risen rapidly and drastically since 1980, and recent decades have been the warmest of the past 1,500 years, according to a sweeping federal climate change report awaiting approval by the Trump administration.

The draft report by scientists from 13 federal agencies, which has not yet been made public, concludes that Americans are feeling the effects of climate change right now. It directly contradicts claims by President Trump and members of his cabinet who say that the human contribution to climate change is uncertain, and that the ability to predict the effects is limited.

“Evidence for a changing climate abounds, from the top of the atmosphere to the depths of the oceans,” a draft of the report states. A copy of it was obtained by The New York Times.

The authors note that thousands of studies, conducted by tens of thousands of scientists, have documented climate changes on land and in the air. “Many lines of evidence demonstrate that human activities, especially emissions of greenhouse (heat-trapping) gases, are primarily responsible for recent observed climate change,” they wrote.

The report was completed this year and is a special science section of the National Climate Assessment, which is congressionally mandated every four years. The National Academy of Sciences has signed off on the draft report, and the authors are awaiting permission from the Trump administration to release it.

One government scientist who worked on the report, Katharine Hayhoe, a professor of political science at Texas Tech University, called the conclusions among “the

most comprehensive climate science reports” to be published. Another scientist involved in the process, who spoke to The New York Times on the condition of anonymity, said he and others were concerned that it would be suppressed.

The White House and the Environmental Protection Agency did not immediately return calls or respond to emails requesting comment on Monday night.

The report concludes that even if humans immediately stopped emitting greenhouse gases into the atmosphere, the world would still feel at least an additional 0.50 degrees Fahrenheit (0.30 degrees Celsius) of warming over this century compared with today. The projected actual rise, scientists say, will be as much as 2 degrees Celsius.

A small difference in global temperatures can make a big difference in the climate: The difference between a rise in global temperatures of 1.5 degrees Celsius and one of 2 degrees Celsius, for example, could mean longer heat waves, more intense rainstorms and the faster disintegration of coral reefs.

Among the more significant of the study’s findings is that it is possible to attribute some extreme weather to climate change. The field known as “attribution science” has advanced rapidly in response to increasing risks from climate change.

The E.P.A. is one of 13 agencies that must approve the report by Aug. 18. The agency’s administrator, Scott Pruitt, has said he does not believe that carbon dioxide is a primary contributor to global warming.

“It’s a fraught situation,” said Michael Oppenheimer, a professor of geoscience and international affairs at Princeton University who

The New York Times reported on the latest draft late Monday. The Washington Post subsequently obtained a third draft of the report. The version at the White House is the fifth draft, but people familiar with both versions say there is no substantive difference.

The report touches on a wide variety of issues, such as receding Arctic ice and an increase in the acidification of the oceans that is “unparalleled in at least the past 66 million years.”

was not involved in the study. “This is the first case in which an analysis of climate change of this scope has come up in the Trump administration, and scientists will be watching very carefully to see how they handle it.”

Scientists say they fear that the Trump administration could change or suppress the report. But those who challenge scientific data on human-caused climate change say they are equally worried that the draft report, as well as the larger National Climate Assessment, will be publicly released.

The National Climate Assessment “seems to be on autopilot” because of a lack of political direction, said Myron Ebell, a senior fellow at the Competitive Enterprise Institute.

The report says significant advances have been made linking human influence to individual extreme weather events since the last National Climate Assessment was produced in 2014. Still, it notes, crucial uncertainties remain.

It cites the European heat wave of 2003 and the record heat in Australia in 2013 as specific episodes where “relatively strong evidence” showed that a man-made factor contributed to the extreme weather.

In the United States, the authors write, the heat wave that broiled Texas in 2011 was more complicated. That year was Texas’ driest on record, and one study cited in the report said local weather variability and La Niña were the primary causes, with a “relatively small” warming contribution. Another study had concluded that climate change made extreme events 20 times more likely in Texas.

Based on those and other conflicting studies, the federal draft concludes that there was a medium likelihood that climate change played a role in the Texas heat

It also dismisses talk of a so-called hiatus in global warming, noting that the most recent years reinforce longer-term trends. Instead, the report says, the United States faces temperature increases of 2.5 degrees Fahrenheit over the next few decades “even under significantly reduced future emissions.” And the record-setting temperatures of recent years will become “relatively common in the near future.”

wave. But it avoids assessing other individual weather events for their link to climate change. Generally, the report described linking recent major droughts in the United States to human activity as “complicated,” saying that while many droughts have been long and severe, they have not been unprecedented in the earth’s hydrologic natural variation.

Worldwide, the draft report finds it “extremely likely” that more than half of the global mean temperature increase since 1951 can be linked to human influence.

In the United States, the report concludes with “very high” confidence that the number and severity of cool nights have decreased since the 1960s, while the frequency and severity of warm days have increased. Extreme cold waves, it says, are less common since the 1980s, while extreme heat waves are more common.

The study examines every corner of the United States and finds that all of it was touched by climate change. The average annual temperature in the United States will continue to rise, the authors write, making recent record-setting years “relatively common” in the near future. It projects increases of 5.0 to 7.5 degrees Fahrenheit (2.8 to 4.8 degrees Celsius) by the late century, depending on the level of future emissions.

It says the average annual rainfall across the country has increased by about 4 percent since the beginning of the 20th century. Parts of the West, Southwest and Southeast are drying up, while the Southern Plains and the Midwest are getting wetter.

With a medium degree of confidence, the authors linked the contribution of human-caused warming to rising temperatures over the Western and Northern United States. It found no direct link in the Southeast.

Additionally, the government scientists wrote that surface, air and ground temperatures in Alaska and the Arctic are rising at a frighteningly fast rate — twice as fast as the global average.

"It is very likely that the accelerated rate of Arctic warming will have a significant consequence for the United States due to accelerating land and sea ice melting that is

driving changes in the ocean including sea level rise threatening our coastal communities," the report says.

Human activity, the report goes on to say, is a primary culprit.

The study does not make policy recommendations, but it notes that stabilizing the global mean temperature increase to 2 degrees Celsius — what scientists have

referred to as the guardrail beyond which changes become catastrophic — will require significant reductions in global levels of carbon dioxide.

Nearly 200 nations agreed as part of the Paris accords to limit or cut fossil fuel emissions. If countries make good on those promises, the federal report says, that will be a

key step toward keeping global warming at manageable levels.

Mr. Trump announced this year that the United States would withdraw from the Paris agreement, saying the deal was bad for America.

THE WALL STREET JOURNAL

Editorial : EPA Resignation Facts

The media and federal unions are making a cause celebre out of federal scientists who have resigned and then denounced Trump Administration policies on the way out. We're all for shrinking the government workforce, but the political melodrama could use a few leavening facts.

The latest splash is from Elizabeth Southerland, until recently the director of science and technology in the Environmental Protection Agency's Office of Water. Ms. Southerland ended a 30-year EPA career last week with an internal memo decrying Donald Trump's "draconian" budget cuts, and his "industry deregulation." She said her "civic duty" required that she warn that "our children and grandchildren" face "increased public health and safety risks and a degraded environment."

This follows the much-publicized April departure of Michael Cox, who quit the EPA in Washington state after 25 years, complaining in a letter to Administrator Scott Pruitt about "indefensible budget cuts"

and efforts to "dismantle EPA and its staff as quickly as possible."

Both EPA employees are of retirement age, and they are right to bow out if they can't in good faith work for Mr. Pruitt. Their letters nonetheless reveal an entrenched and liberal federal bureaucracy. Though career civil servants who are supposed to serve political appointees of any party, they have clearly become progressive ideological partisans.

Their exits also explain why so much of the EPA workforce is misrepresenting or missing the point of Mr. Pruitt's policy changes. Ms. Southerland raps the Administrator's call to rebalance power between the feds and states, as she claims the EPA "has always followed a cooperative federalism approach."

Really? During the combined presidencies of George H.W. Bush, Bill Clinton and George W. Bush, the EPA imposed five federal air-quality implementation plans on states. Barack Obama's EPA imposed 56.

The Obama EPA also stripped states of their statutory development authority, whether with its pre-emptive veto of Alaska's Pebble Mine, or its Waters of the United States rule that gave the feds de facto sway over tens of millions of acres of private land. EPA employees embraced these new powers, but they violate the Constitution and hurt the environment.

Ms. Southerland seems to have forgotten that the largest clean-water disaster in recent years resulted from the EPA's 2015 decision to punch a hole in the Gold King Mine in Colorado, turning the Animas River yellow with waste water and heavy metals. The agency shares blame for the Flint, Michigan, lead crisis, having failed to alert the public.

The Fish and Wildlife Service has a dismal record recovering endangered species, while the Forest Service's logging restrictions have left millions of acres of dead, bug-infested trees as tinder for catastrophic wildfires.

Mr. Trump has proposed a 30% cut in EPA funding, but Congress won't cut anything close. Mr. Pruitt's decision to refocus on core jobs like Superfund cleanups means a shift in EPA spending in any event. The goal should be an EPA that is more efficient and effective—rather than one measured by employee numbers.

Ms. Southerland's exit may also free up some dollars. Federal records show she earned \$249,000 last year in combined salary and bonus—\$1,000 less than a Supreme Court Justice and about \$200,000 more than the average taxpayer. She'll receive an annual lifetime pension worth about 75% of the average of the last three years of her career. With that sinecure, she should forgive taxpayers for thinking a little fiscal discipline at EPA might be in order.

Appeared in the August 8, 2017, print edition.

The Washington Post

Washington dysfunction fuels uncertainty for businesses (UNE)

By Damian Paletta

Corporate uncertainty about whether the Trump administration will be able to deliver on numerous promises — including tax cuts, health care, a China crackdown and infrastructure — has forced many companies to put important hiring and investment decisions on hold, potentially crimping an economic expansion that appears ready to accelerate.

A Washington Post review of dozens of conference calls in recent weeks between chief executives and analysts show how the fog of policymaking is paralyzing many companies from taking risks that in normal times would help them grow. The conference calls were held as part of a quarterly ritual in which executives discuss their firm's performance and outlook for the future, and they give voice to some

of the reasons U.S. economic growth has been so weak at a time when inflation and interest rates remain historically low.

One manufacturing company is having a hard time making acquisitions because other companies are waiting to see what happens with tax incentives.

A staffing executive says firms are still hesitant to boost hiring until they know more about what Washington plans to do on taxes and regulation.

A financial industry CEO, Ronald Kruszewski of Stifel, said that investors are nervous about new opportunities because of "lack of clarity from Washington on deregulation and tax policy."

CSX chief executive E. Hunter Harrison said, "I've never been through a time when this country is like it is, politically, ever."

"I've never dreamed of a time like this," Harrison told analysts during a recent conference call to discuss the performance of his railroad company. "So I don't know what's going to happen in Washington, and the scary thing is I don't think they've got a clue, either."

President Trump unveiled his tax plan on April 26, after months of pledging to make drastic changes to the tax code. The Post's Damian Paletta explains why tax reform is so complicated. The Post's Damian Paletta explains why tax reform is harder than it looks. (Jenny Starrs/The Washington Post)

President Trump unveiled his tax plan on April 26, after months of pledging to make drastic changes to the tax code. The Post's Damian Paletta explains why tax reform is so complicated. (Jenny Starrs/The Washington Post)

Many of the executives did not blame President Trump or Congress directly for the uncertainty, but they remarked that promises made at the beginning of the year have not come to fruition and might not anytime soon.

"What we need is predictability," Craig Arnold, chief executive of Eaton told analysts during his recent call.

Eaton is a power-management company that was founded in the United States but is now based in Ireland, where corporate taxes are lower.

"And I think in this environment of uncertainty ... it simply freezes the investment community. And so I think more than anything, what the business community needs is some certainty around what the policies will be," Arnold said.

A number of chief executives said they were very encouraged by the policies Trump was pursuing but said they were still waiting for final decisions to be made.

John Ferriola, chief executive of steel giant Nucor, said on his earnings call that there was a "positive view coming out of Washington" that "could have an impact on our volumes, and it will be a positive impact, without a doubt." He added: "President Trump has made some commitments to us, and we expect him to stand behind those commitments. We're certainly working to make that happen."

Trump has proposed slashing the corporate tax rate from 35 percent to 15 percent, rewriting health-care rules, getting rid of 80 percent of all regulations, toughening trade relations with China, Mexico, South Korea, and Canada, and creating a \$1 trillion infrastructure package.

He has speculated about elevating one of his top economic advisers — Gary Cohn, a former Goldman Sachs president — to become the new Federal Reserve chairman, which could have a direct impact on future interest rates, and he has nominated former congressman Scott Garrett to lead the Export-Import Bank, though he used to oppose the agency's existence.

These changes, if followed through on, would have major consequences for the economy and thousands of businesses. But now they are in policy limbo and haven't come to fruition, as the president and the Republican-led Congress try to absorb the lessons from their failed attempt to repeal and replace the Affordable Care Act.

"When policy uncertainty goes up, firms that are more exposed to the policy have a bigger pull back," said Steven Davis, a professor of international business and economics at the University of Chicago Booth School of Business.

He said so many policies are up in the air that "at this point it's not clear a lot will happen," a sentiment shared by a number of top executives.

Arnold, the Eaton chief executive, said it was "difficult to really take much to the bank in terms of what we've heard from the administration to date in terms of their ability to get legislation through."

Companies seemed to express the most confusion about what might happen on tax policy.

Scott Page, the chief executive of CoBiz Financial, a Denver-based financial services firm, told analysts the banks he runs in Colorado and Arizona have "purposefully pulled back" from financing public projects, waiting "until there is better clarity from Washington D.C. on corporate tax rates."

BOK Financial executive vice president Stacy Kymes remarked on the Oklahoma bank's call that lending for commercial and industrial projects "was essentially flat."

"We believe that the uncertain environment in Washington relative to tax policy is stalling growth and that some certainty around the administration and Congress's future direction will free up new deals that are waiting on the sidelines," Kymes said.

[Action on Trump's tax cut plan could be delayed until next year.]

The cautionary talk can seem oddly out of place when the stock market is at record levels, unemployment is low and corporate earnings are high — things Trump has touted for weeks.

But that picture of the economy doesn't tell the whole story.

Since becoming president, Trump has taken credit for stock market gains he once dismissed. Since becoming president, Trump has taken credit for stock market gains he once dismissed. (Video: Meg Kelly/Photo: Jabin Botsford/The Washington Post)

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The economy is growing, albeit slowly. Inflation is low. Interest rates are low. But business confidence, much higher than it was during the Great Recession, has retreated a bit since June. Consumer confidence, too, was at a 12-year high, but it has also eased.

Companies are hiring, and the economy added 209,000 new jobs in July. Businesses are investing. But the remarks from corporate executives suggest they could be doing even more. A number of companies are still hesitant to expand, waiting for more direction

from policymakers about things like taxes and regulations.

"The sentiment remains high amongst our middle-market client base," said M. Keith Waddell, president of Robert Half International, a staffing company. "But they're wait-and-see types, and they're still waiting to see."

Many companies had high hopes for Trump's promised infrastructure plan, but that effort has been delayed in part because the White House hasn't decided how to finance it or pitch it to Congress.

[Infrastructure was supposed to be the unicorn of bipartisan cooperation — now it looks like a regular horse.]

That means a number of infrastructure projects have been sidelined, Husqvarna chief executive Kai Warn told analysts on his recent call. This Swedish company makes power equipment like chain saws, lawn mowers and garden tractors, among other things, and it has a large presence in the United States.

"There was an expectation that the Trump infrastructure efforts would materialize a bit early," he said. "That hasn't come through. And now everybody sits with a lot of other projects which they need to put into implementation."

John Wren, chief executive of Omnicom Group, a global marketing firm, said many companies are holding back from investing on things like advertising until they have a clearer picture on "where the government's moving."

"There's nobody who can look out two or three years at this point and say with certainty that they're going to know what tax policy is, what health-care costs are going to be," he said. "And so I think that causes many companies to pause in terms of the investments that they're trying to make, and advertising and marketing is part of what suffers along with other businesses as that occurs."

On some Washington issues, such as whether lawmakers would agree to raise the debt ceiling, chief executives didn't even want to speculate.

JetBlue Airways chief executive Robin Hayes was asked what would happen if there's a government shutdown in October, a real possibility that would impact airports and travel.

"Well, I'll avoid the questions on the government shutdown, if that's okay," Hayes responded.

[Debt-ceiling talks between White House, Senate break up with no progress.]

The White House and congressional Republicans are planning to make a big push on their effort to cut taxes in the coming weeks, aiming to rework the tax code for the first time in 31 years, but passage of these changes will be difficult because they haven't yet agreed on what the cuts should look like.

Senate Majority Leader Mitch McConnell (R-Ky.) said on Aug. 1 that the GOP plans to use reconciliation to do tax reform when they return to Congress in September, instead of working out a bipartisan tax reform effort. Senate Majority Leader Mitch McConnell (R-Ky.) said that the GOP plans to use reconciliation to do tax reform when they return to Congress. (The Washington Post)

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And the White House is also promising to jettison numerous regulations in a way it says will help companies, but this process could take years and run into bureaucratic and legal challenges.

In the meantime, a number of companies are sitting tight or plan to forge ahead, cautiously.

"We came out of an election and people were waiting to see what was going to happen, if anything," Gregory Sandfort, chief executive of Tractor Supply Co., a home improvement chain, told analysts on his call. "And I think once we got through that cycle, second quarter needs surfaced and people came back out and shopped ... I like the footsteps. I like the fact that we were able to maintain our business in big ticket. So I feel good that the consumer is feeling comfortable right now. Hopefully, nothing else in Washington can sway them the other direction."

more than the same deep cuts for corporations and wealthy individuals that they've always wanted.

Real reform would honestly confront the fact that in the next decade we will need roughly \$4.5 trillion more revenue than currently projected to meet our existing commitments without increasing the federal debt as a share of the economy. Even more would be needed if the government were to make greater investments to lift productivity and living standards through education, infrastructure and scientific research. Real reform would do this by diversifying methods of taxation while targeting individuals and sectors best able to pay.

While the wages of most Americans have stagnated for years, incomes of the wealthiest have soared. So it would make sense to increase the top rates on them and eliminate a break on income from investments.

A couple who are, say, both doctors and have a taxable income of \$470,700 face the same top rate, 39.6 percent, as a couple earning multimillions. Higher rates on the wealthy may be anathema to today's Republicans, but even after the first round of Reagan-era tax cuts, top brackets in 1982 ranged from 44 percent to 50 percent.

And dividends and capital gains from investments are taxed at a total top rate of only 23.8 percent. It

would be reasonable to tax wages and investments at the same rates.

Over all, the richest 1 percent pay 33 percent of their total income in taxes; if rates were changed so they paid 40 percent, it would generate \$170 billion of revenue in the first year, according to the nonpartisan Tax Policy Center.

There is rare bipartisan consensus that closing loopholes in order to lower the top corporate rate of 35 percent would help American businesses compete globally. But there is no agreement on which loopholes to close or where to set the rate.

One sensible idea would be to end or reduce the corporate deduction for interest paid, which would strengthen corporate finances by reducing the incentive to overborrow. The tactic known as like-kind exchanges, in which corporations defer tax on the sale of real estate and other assets by buying other assets with the proceeds, started out as a break for farmers but has become a tax-avoidance juggernaut for businesses and the well-to-do. It would also be a good idea to scale back accelerated depreciation allowances that let businesses write off investments faster than assets actually wear out. Speedy write-offs for luxuries like corporate jets could be eliminated altogether.

But even before lawmakers get into the weeds of corporate write-offs, they should agree to close a single huge loophole: the ability of corporations to defer tax on profits earned abroad or placed in overseas entities through accounting maneuvers. Intended to allow companies to more easily invest the profits abroad, this benefit has morphed into an abusive tax shelter that now shields \$2.6 trillion.

To tax the untaxed sums, Democrats should give up their opposition to granting corporations a discounted tax rate for the profits they bring home. Republicans should give up their support for only a voluntary repatriation at a near-zero rate. A compromise would give corporations a modest discount but require them to pay the tax and prevent them from stashing untaxed profits abroad anymore.

In previous tax reform proposals, both Republican and Democratic, these sorts of measures have enabled the top corporate rate to be set at 25 percent to 28 percent — a reasonable goal *if* lawmakers find the will and the way to actually end the targeted subsidies.

New forms of taxation are also needed. Even prominent Republicans like James Baker III, George Shultz and Henry Paulson Jr. support a carbon tax imposed on emissions to reduce greenhouse gases. Theirs would pass the proceeds back to taxpayers to

compensate for higher utility rates and energy prices. But revenue generated by carbon taxes could be used for other purposes as well, including investments in renewable energy and public transportation, lowering other taxes or reducing the deficit.

Revenue can also be raised by imposing a tax on the trading of stocks, bonds and derivatives. Such trading has mushroomed in recent decades, generating wealth for the top sliver of the population. Estimates show that a financial transaction tax of even 0.01 percent per trade (\$10 on a \$100,000 trade) could raise \$185 billion over 10 years, enough to finance prekindergarten for 3- and 4-year olds, with money left over.

A value-added tax would be akin to a national sales tax, but harder to evade than traditional sales taxes and thus an efficient revenue raiser well suited to a consumer-oriented economy. Since it would unduly burden low-income people, who spend most of their income, a VAT would need to be paired with measures like an expansion of the earned-income tax credit for the working poor.

Real reform entails more than just cutting taxes, and will require hard work. But the net result could be a fairer and more productive system.