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Business

Trump calls for Russia to be reinstated to G-7, threatens allies on trade

by Damian Paletta, Anne Gearan and John Wagner June 8 at 1:15 PM ✓ Email the author

QUEBEC CITY — President Trump on Friday said Russia should be readmitted to the Group of Seven leading economies, breaking with other world leaders who have insisted that Moscow remain ostracized after its 2014 annexation of Crimea.

"Now, I love our country. I have been Russia's worst nightmare But with that being said, Russia should be in this meeting," Trump said Friday as he left the White House. "Whether you like it or not, and it may not be politically correct, but we have a world to run They should let Russia come back in."

Trump's comments, made just hours before he arrived in Canada for the annual G-7 summit, have further scrambled talks with other leaders, most of whom were already fuming about the U.S. leader's protectionist trade policies. But in a sign that European unity against Trump is cracking, new Italian Prime Minister Giuseppe Conte said he agreed with Trump and wanted Russia back in the fold.

U.S. intelligence officials believe Russia interfered in the 2016 election, and part of this year's G-7 summit was supposed to focus on protecting democracies from foreign meddling. Special counsel Robert S. Mueller III is investigating Russian interference efforts, including whether Trump's campaign colluded in any way with Russian officials, a probe that has become an obsession for the president.

[France's Macron threatens rare rebuke of U.S. at G-7, Trump fires back]

Trump's suggestion that Russia be readmitted to the G-7 was heavily criticized by political opponents back home, including Senate Minority Leader Charles E. Schumer (D-N.Y.), who said Trump was "turning our foreign policy into an international joke."

"We need the president to be able to distinguish between our allies and adversaries, and to treat each accordingly," Schumer said. "On issue after issue, he's failed to do that."

Sen. John McCain (R-Ariz.) also spoke out against Trump's suggestion, saying in a statement that "Vladimir Putin chose to make Russia unworthy of membership in the G-8 by invading Ukraine and annexing Crimea. Nothing he has done since then has changed that most obvious fact."

McCain, the chairman of the Senate Armed Services Committee, was among the first lawmakers to call for Russia's ejection from the G-8.

In the past several months, Trump has pushed to completely overturn many of the post-World War II institutions put in place to strengthen global ties. These tensions have created immense strain ahead of the summit in Canada, with top leaders questioning if they are in the midst of a transformational disruption brought on by the United States.

"The rules-based international order is being challenged," European Commission President Donald Tusk told reporters here. "Quite surprisingly, not by the usual suspects but by its main architect and guarantor, the U.S. ... We will not stop trying to convince our American friends and President Trump that undermining this order makes no sense at all." In response to Trump's proposal for Russia, Tusk said it would only make the group more divisive.

"For today, I think it's much more important to convince our American partners to strengthen our format as guarantor of world order, than to look for something new, more challenging, more difficult," he said.

[Trump's tariffs teach Europe a lesson, Putin says]

Moscow didn't rush to publicly embrace Trump's pronouncement. Kremlin spokesman Dmitry Peskov said Russia preferred to emphasize "other formats" of international talks. Lawmaker Konstantin Kosachev, chairman of the foreign relations committee in Russia's upper house of parliament, said the country should only rejoin the group on its own terms — "with sanctions removed and interests respected."

"The G-8 needs Russia much more than Russia needs the G-8," Kosachev said in a statement.

Some other members of the G-7, including the leaders of the United Kingdom, Germany and France, are unlikely to agree to Trump's call for readmitting Russia, meaning the suggestion could further divide the group and make it even more ineffectual.

In an interview with Sky News on Friday, British Prime Minister Theresa May said it was important to "engage with Russia."

But, she added, "Let's remember why the G-8 became the G-7. And before discussions could begin on any of this, we would have to ensure Russia is amending its ways and taking a different route."

A version of the G-7 or G-8 has existed since the 1970s, designed to try to build a consensus among world leaders to tackle global challenges.

Trump has sought to improve relations between the United States and Russia since taking office, though he has faced steep criticism from lawmakers in both parties for doing so. The U.S. government and other nations have imposed strict sanctions on Russia related to its annexation of Crimea from Ukraine.

Trump on Friday also reiterated his plans to take a tough stance on trade with U.S. allies at the summit, threatening again to withdraw from the North American Free Trade Agreement.

"We're going to deal with the unfair trade practices We have to change it, and they understand it's going to happen," Trump said. "If we're unable to make a deal, we'll terminate NAFTA. We'll make a better deal."

The comments marked the latest in a string of declarations in recent days that have completely redirected the focus the G-7, an organization Trump has shown little regard for since taking office last year.

In an earlier Twitter post, Trump said the United States would emerge victorious if other nations refused to accede to his trade demands, suggesting that he plans to employ a take-it-or-leave-it bargaining position with other world leaders at the summit here.

"Looking forward to straightening out unfair Trade Deals with the G-7 countries," Trump wrote. "If it doesn't happen, we come out even better!"

Thursday evening, when tensions between Trump and French President Emmanuel Macron and Canadian Prime Minister Justin Trudeau appeared to be boiling over, the U.S. leader vowed to impose new tariffs and other economic penalties against Canada and the European Union if they did not allow more U.S. imports into their countries. "Take down your tariffs & barriers or we will more than match you!" he wrote on Twitter. He did not specify what products he could target.

Trump effectively upended the two-day G-7 summit even before it began by raising the prospect of refusing to sign on to a joint statement with other leaders asserting commonly shared principles and values.

On Friday morning, a planned bilateral meeting between Trump and Macron was postponed, the White House said, because Trump was running behind. Aides said they were working to reschedule what is expected to be a tense meeting later in the day.

Macron, Trudeau and other world leaders spent much of 2017 tiptoeing around the new U.S. president, aware of his "America First" agenda but hoping to draw him closer to multinational organizations that they believe can best address global issues. But in recent weeks, there have been signs that world leaders have scrapped that approach and now plan to deal with Trump in a more adversarial way, particularly after the White House announced it would begin imposing tariffs on steel and aluminum imports from U.S. allies beginning in June.

Macron on Thursday said Trump was isolating the United States and suggested that foreign leaders might simply wait until Trump's time in the White House has concluded before reengaging with the United States. Trump, meanwhile, said Trudeau was acting "indignant" and attacked the United States' northern neighbor in a series of Twitter posts, focusing in part on Canadian dairy policy.

Trump is now engaged in a series of trade wars with numerous countries in Europe, North America and Asia, which could affect the flow of hundreds of billions of dollars in goods, including automobiles, agricultural products and technology. He wants Europe and Japan to lower tariffs on imports of automobiles. He wants China to buy more

agriculture and energy products from the United States. He is pushing Mexican leaders for a range of changes to NAFTA, and he wants that entire pact to expire after five years.

His view is that other countries have imposed unfair tariffs limiting U.S. imports for decades but that the United States has unwittingly allowed those countries to bring low-cost goods into the country, hurting American companies and workers.

Foreign leaders are aware of the shaky ground Trump is on when he levels these trade threats, as a growing number of congressional Republicans have expressed outrage, and some are trying to intervene to strip away his powers. So far, Trump has held these lawmakers, including Sen. Bob Corker (R-Tenn.), at bay, but U.S. business groups — worried about the prospect of higher costs driven by Trump's trade threats — are pushing Congress to act.

Trump is also scheduled to meet with Trudeau on Friday, and then he will leave the summit early Saturday, an unexpected schedule revision that will pull him out of discussions on climate change.

The United States is the world's largest economy, giving Trump outsized influence with any decisions he makes to restructure trade relationships. Foreign leaders face difficult decisions over whether to agree to some of Trump's trade demands to preserve relationships or refuse and risk Trump's ire. The U.S. president, in his first 16 months in office, has made clear that few allies will be spared from his demands.

The G-7 and the newer, larger G-20 have had limited success in recent decades forming coalitions and resolving world issues, but they do strive to provide a forum for discussions. Trump has rejected many international forums, and during the G-7 summit in Italy last year he rode a golf cart behind the other six leaders as they walked down the street. Still, the attacks Trump leveled at his allies this week have raised the notion for many that Trump is completely rejecting this model.

"Trump's willingness to walk away from the key elements of the postwar international governance system suggest a major disruption is coming," said Eswar Prasad, a trade expert and professor at Cornell University.

The Kremlin, meanwhile, appears to be enjoying an "I told you so" moment as it watches Trump's escalating conflict with America's closest allies. Putin has long spoken about the dangers of a world dominated by the United States, and on Thursday he said that with Trump's metals tariffs, Europeans were getting their comeuppance for showing excessive deference to Washington — and getting a taste of the way the United States has long treated Russia. "Our partners probably thought that these counterproductive policies would never affect them," Putin said in his annual televised call-in show. "No one wanted to listen, and no one wanted to do anything to stop these tendencies. Here we are."

Anton Troianovski in Moscow contributed to this report.

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