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The best way out of the Brexit mess

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Macron's nightmare







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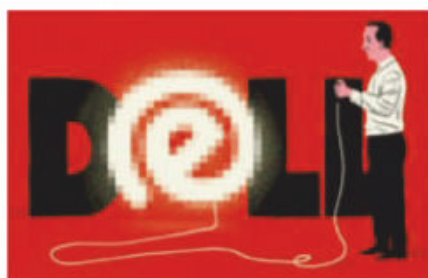
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Volume 429 Number 9121

Published since September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress."

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One-year print-only subscription (51 issues):

United States.....US \$158.25 (plus tax)
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A third Saturday of anti-fuel-tax demonstrations, infiltrated by violent provocateurs from the hard left and the extreme right, saw windows smashed, cars ablaze and monuments defiled in Paris. In response, the **French government** cancelled a second planned fuel-tax rise, but protesters said this was not enough.

An hour proved to be a long time in British politics, as Theresa May's government suffered three rapid defeats in the House of Commons over **Brexit**. The government was held in contempt of Parliament, a first in modern times, for not publishing the full legal advice from the attorney-general concerning the withdrawal agreement. MPs also voted to have a direct say in what comes next if the prime minister's proposed deal is voted down on December 11th. In his advice to the prime minister, the attorney-general stated that the Northern Ireland "backstop" would "endure indefinitely" if no new arrangement was agreed.

An advocate general of the European Court of Justice advised, at the request of some Scottish MPs, that Britain could unilaterally revoke the **Article 50** notification to leave the European Union. While not a final ruling by the ECJ, it could provide an avenue of escape if Mrs May's deal fails to win over Parliament.

A small anti-immigrant party, Vox, did well in elections in Andalusia in **Spain**, entering the regional parliament there. It is the first time that a far-right party has taken seats in a Spanish parliament for more than 30 years.

The state's verdict

China's ministry of science described the creation of the world's first **gene-edited babies**, a feat claimed by a Chinese scientist, He Jiankui, as "shocking" and illegal. Mr He's whereabouts are unclear.

A Buddhist, Xuecheng, resigned from an advisory body to **China's** parliament, in which he had held senior positions. The monk stepped down as chairman of the official Buddhist Association in August following accusations of sexual harassment.

Gunmen in **Indonesia's** Papua province killed some 30 construction workers from outside the region who were building a road. Separatist guerrillas claimed responsibility.

An Indian mining firm decided to dig up less of a big coal deposit in Australia than originally planned. Greens have campaigned against the project, calling it a spur to global warming and a threat to the **Great Barrier Reef**.

Authorities in **Pakistan** charged Khadim Hussain Rizvi, the leader of an Islamist protest movement, with sedition. Mr Rizvi had led demonstrations demanding that Asia Bibi, a Christian woman acquitted of blasphemy, be hanged anyway. His supporters also urged the army to mutiny.

Sore losers

The Republican legislature in **Wisconsin** passed a bill that would limit the powers of the new Democratic governor when he takes office in January. Scott Walker, the incumbent Republican governor, who was narrowly defeated in last month's election, has indicated that he might sign it.

George H.W. Bush died at the age of 94. America's 41st president received a state funeral. His long career included being shot down over the Pacific during the second world war, sitting in Congress, running

the CIA and serving as Ronald Reagan's vice-president. As president, he oversaw the end of the cold war, encouraged the reunification of Germany, expelled Saddam Hussein from Kuwait and was unfailingly polite and understated.

Lawyers working on Robert Mueller's investigation into **Russian meddling** in American elections recommended that Michael Flynn be spared a prison sentence for having helped with their inquiries. Mr Flynn, Donald Trump's first national security adviser, has pleaded guilty to lying to the FBI. The investigation gained a new witness in **Michael Cohen**. Mr Trump's former personal lawyer pleaded guilty to lying to Congress about the extent of his Russian contacts.

A chink of light in a dark war

The Saudi-led coalition backing the **Yemeni** government allowed the Houthi rebels to evacuate wounded members to Oman. The Houthis and the government also agreed to exchange hundreds of prisoners. Those moves paved the way for peace talks in Geneva.

After a briefing by the head of the CIA, senators in America said they were certain that Muhammad bin Salman, the crown prince of **Saudi Arabia**, ordered the killing of Jamal Khashoggi, a Saudi journalist, in a consulate in Istanbul in October. A Turkish court approved arrest warrants for two former aides to the prince over the killing.

Qatar announced that it would withdraw from OPEC. It was another reminder of the oil cartel's disunity. Saudi Arabia, OPEC's most important member, has been trying to strangle Qatar with a trade embargo.

Police in **Israel** recommended that Binyamin Netanyahu be indicted for bribery and fraud. The prime minister and his associates have been the subjects of several criminal probes. Police have recommended indictments in three.

America reopened its embassy in Mogadishu, the capital of **Somalia**. Fighting between rebels and the government forced America to close the embassy and airlift out its ambassador in 1991. The move reflects Somalia's progress, said the State Department.

Lawmakers in **Sudan** expressed support for a constitutional amendment that would allow President Omar al-Bashir to run for a third term in 2020, despite a two-term limit introduced in 2005.

South Africa's parliament approved a report endorsing a constitutional amendment that would allow the expropriation of land without compensation. It can now start the process of making the change. Land grabs in neighbouring Zimbabwe caused an economic collapse.

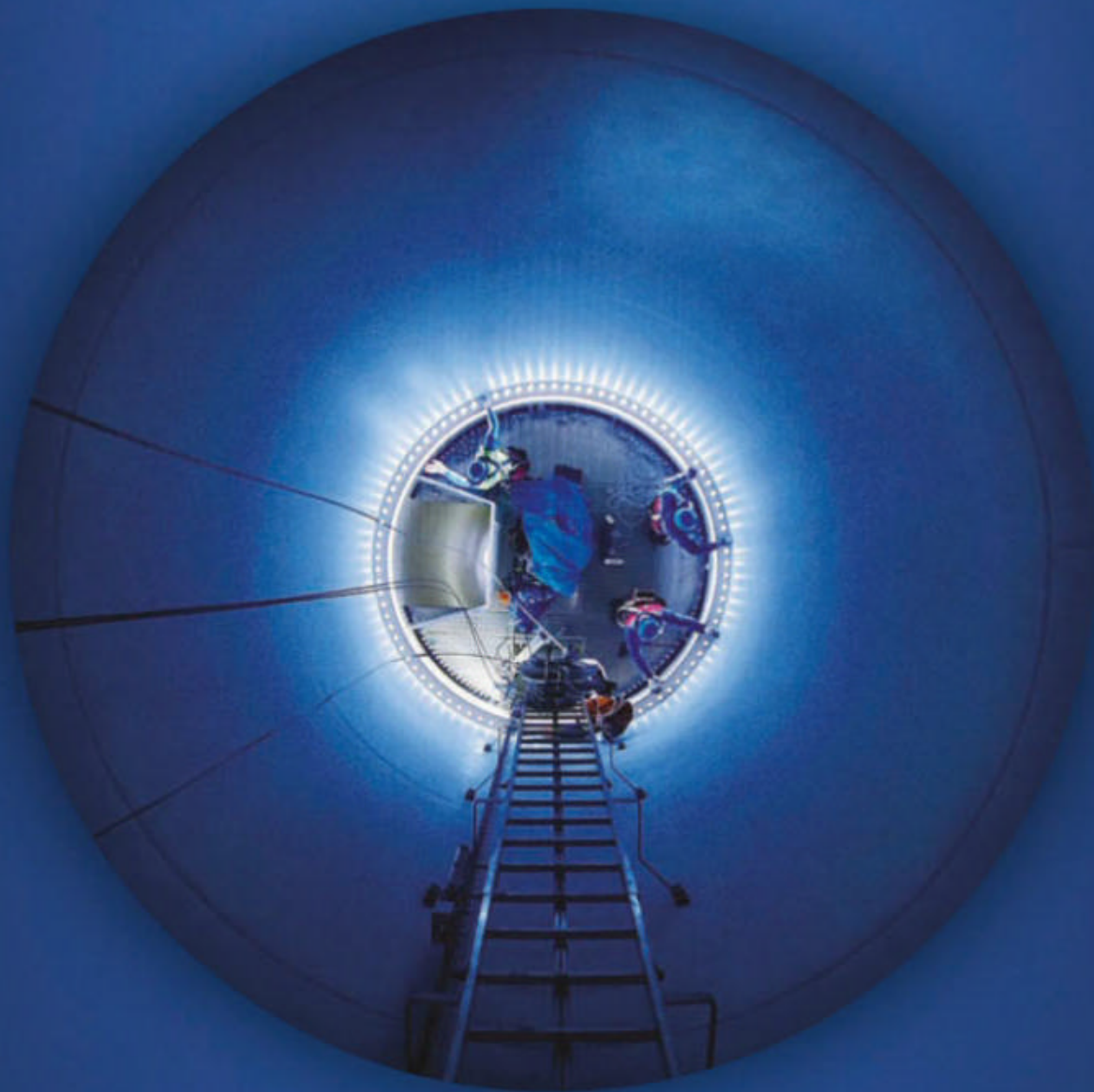
Turning left



Andrés Manuel López Obrador was sworn in as president of **Mexico**. He used his inaugural address to criticise the liberal orthodoxy to which Mexican governments have intermittently adhered for three decades. He vowed to "end the corruption and impunity that impede Mexico's rebirth". He later suspended the auction of oil contracts for three years.

Cuba announced that people would be allowed to buy internet subscriptions on their mobile phones. Cubans have so far been restricted to using public hotspots or cybercafés to get online. The state-owned mobile-network operator will offer data packages up to 4GB for \$30, about the same as the average monthly state wage. ►►

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The Chinese government expressed confidence that it could reach a trade agreement with America by March 1st, following Donald Trump's undertaking to postpone by 90 days the imposition of new tariffs on Chinese goods that were due to come into effect on January 1st. Mr Trump offered his olive branch in the **trade war** after a meeting with Xi Jinping at the G20 summit. However, there was some confusion about the details, as American officials contradicted Mr Trump's assertions about Chinese concessions. That spooked stockmarkets. The Dow Jones Industrial Average, NASDAQ and S&P 500 indices fell by more than 3% in a day.

Piling the pressure on

Meng Wanzhou, the chief financial officer of **Huawei** and daughter of the Chinese company's founder, was arrested in Canada at the behest of America for alleged violations of sanctions. It comes as Western countries have warned against using Huawei's products in mobile-phone networks, citing fears over espionage. BT, a telecoms provider in Britain, has reportedly banned core equipment made by the firm. The head of Britain's M16 warned this week that Chinese technology embedded in communications infrastructure is a threat to national security.

Prosecutors in Frankfurt said that **Deutsche Bank** was co-operating with their inquiry into suspected money-laundering. The German bank's offices were raided by 170 police officers and tax officials hunting for documents related to the investigation, which is based on a deep delve into the Panama Papers, a set of leaked documents into offshore financial transactions. Deutsche's share price swooned below €8 (\$9), a record low.

The government in the Canadian province of **Alberta** announced a cut in oil production of 8.7% for the first three months of 2019. It will maintain a curb on output for the

rest of the year. The government wants to boost the price of Alberta's oil, the price of which has fallen sharply this year because of a glut caused by bottlenecks in the pipelines that transport the commodity for export. With **oil prices** dropping generally, OPEC and Russia met in Vienna to discuss cuts to production.

Another week, another scandal for **Facebook**. A British parliamentary committee investigating fake news released documents which, it said, showed that Facebook had given some companies full access to user data despite a change to its platform that limited what developers could see. The documents were seized from a developer that is suing the social network. Facebook says they are "misleading" and insists it has "never sold people's data".

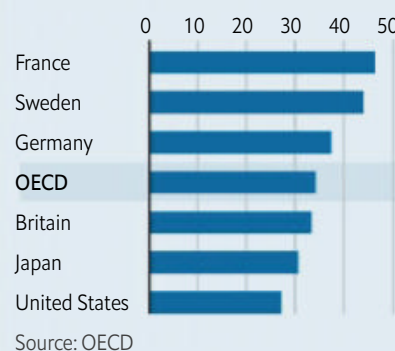
Takeda, a Japanese drugs company, won approval from its shareholders for a deal to buy **Shire**, a rival based in Ireland. The £46bn (\$59bn) transaction is Japan's biggest foreign takeover to date. For months a campaign led by descendants of the founder of Takeda, which traces its history to 1781, had tried to derail the bid, believing it to be too risky.

In its biggest acquisition since 2011, **Unilever** agreed to buy GlaxoSmithKline's (GSK) consumer-health division in India for €3.3bn (\$3.7bn). The business gets most of its revenue from **Horlicks**, a malted milk drink that is marketed as a children's nutritional supplement for building muscle and bone. It is one of India's most-popular packaged beverages.

GSK, meanwhile, struck a \$5.1bn deal to take over **Tesaro**, an American biotech company that specialises in new types of drugs called PARP inhibitors used in the treatment of ovarian cancer.

Tax revenues

2017, % of GDP, selected countries



In a week when rioting worsened in Paris over fuel taxes, the OECD published a report showing that France collects the most **tax as a percentage of GDP** among rich countries. The tax-to-GDP ratio in France

last year was 46.2%, slightly ahead of Denmark, which had topped the survey each year since 2002. The OECD average of 34.2% was the highest since records began in 1965. However, just 19% of total tax revenue in France comes from taxes on individual income; in Denmark it is 54%.

New York's taxi commission imposed a pay formula on **ride-hailing services** such as Uber that will set a minimum wage for their drivers at \$17.22 an hour (after expenses). That is more than the city's new \$15 minimum wage for other workers and takes into account the drivers' status as contractors who do not receive benefits such as paid leave. Uber said the price passengers pay will probably rise as a result.

Nipping it in the bud

Tumblr decided to block adult content, just weeks after its mobile app was banned from the iPhone. Some consider Tumblr's move to be brave, as it is thought that a fifth of the blogging site's users access porn material. Tasteful nudity will be allowed, as will erotic text. But Tumblr's bottom line is that there are lots of internet sites featuring adult content: "we will leave it to them".

