

# Senate considers tax hike failsafe if revenue falls short

By **STEPHEN OHLEMACHER** and **MARCY GORDON**  
*Associated Press*

WASHINGTON — Senate Republicans are considering a trigger that would automatically increase taxes if their sweeping legislation fails to generate as much revenue as they expect. It's an effort to mollify deficit hawks who worry that tax cuts for businesses and individuals will add to the nation's already mounting debt.

The effort comes as a second Republican senator, Steve Daines of Montana, announced Monday that he opposes the tax bill in its current form. Previously, Sen. Ron Johnson, R-Wis., said he opposed the bill, leaving Senate Republicans no room for error as they hope to vote on the bill this week.

Both senators complained that the tax bill favors large corporations over small businesses. Republicans have only two votes to spare in the Senate, where they hold a 52-48 edge and anticipate Vice President Mike Pence breaking a tie.

At the White House, President Donald Trump maintained that the bill would help all Americans.

"I think it's going to benefit everybody," the president said. "It's going to mostly benefit people looking for jobs more than anything else, because we're giving great incentives."

Senate Republicans indicated that they still had a way to go to secure the votes.

"We're making progress, minute by minute, hour by hour, day by day. But we're not there yet," said Texas Sen. John Cornyn, the No.



Senate Finance Committee member Sen. Tim Scott, R-S.C., front, with, from left, Sens. Patrick Toomey, R-Pa., John Cornyn, R-Texas, and Chairman Orrin Hatch, R-Utah, speaks to reporters following a meeting with President Donald Trump at the White House in Washington on Monday.

2 Republican in the Senate. Pressed on timing, he said the expectation is a vote this week.

A new congressional estimate says the Senate tax bill would add \$1.4 trillion to the budget deficit over the next decade. But GOP leaders dispute the estimate, saying tax cuts will spur economic growth, reducing the hit on the deficit.

Many economists disagree

with such optimistic projections. The trigger would be a way for senators to test their economic assumptions, with real consequences if they are wrong.

"Do we have realistic numbers and is there a backstop in the process just in case we don't?" asked Sen. James Lankford, R-Okla.

"We should build in the 'What if?' What if this doesn't work?" Lankford

said. "What changes might be needed in the tax code in the days ahead to be able to adjust in what scenario?"

Sen. Bob Corker, R-Tenn., said the Trump administration and Senate Republican leaders are open to some kind of a trigger to increase revenues if the tax plan falls short.

Neither Corker nor Lankford spelled out exactly how the trigger would work, noting that senators are still

working on the proposal. Sen. Rob Portman, R-Ohio, said the trigger is possible. But, he added, the proposal could run afoul of the Senate's byzantine budget rules.

Trump and Senate Republicans scrambled Monday to make changes to the bill in an effort to win over holdout GOP senators and pass a tax package by the end of the year. Corker said he spoke to White House

Chief of Staff John Kelly and economic adviser Gary Cohn throughout the weekend, and Treasury Secretary Steve Mnuchin was at his Senate office on Monday.

"Very possible," Corker said when asked if he might vote "no" in the Senate Budget Committee on Tuesday if the revenue issue isn't settled. "It's important for me to know we've got this resolved," he said.

Johnson told Wisconsin reporters on Monday, "If we develop a fix prior to committee, I'll probably support it, but if we don't I'll vote against it."

Trump and Senate leaders are trying to balance competing demands. While some senators fear the package's debt consequences, others want more generous tax breaks for businesses. In a boost for the legislation, Republican Sen. Rand Paul of Kentucky said he would back the measure.

Trump hosted Republican members of the Senate Finance Committee at the White House on Monday. GOP leaders were still trying to round up the votes in the Senate to pass the bill.

Whatever the Senate passes must be reconciled with the House version of the tax bill.

Trump suggested he is open to making unspecified changes to the way millions of "pass-through" businesses are taxed, a sticking point for some lawmakers. These are businesses in which profits are passed onto the owners, who report the income on their individual tax returns. The vast majority of U.S. businesses, big and small, are taxed this way.



President Donald Trump, right, meets Monday with Navajo Code Talkers Peter MacDonald, center, and Thomas Begay, left, in the Oval Office of the White House in Washington.

## Trump, honoring Navajos, revives racial jab at Warren

By **LAURIE KELLMAN** and **CATHERINE LUCEY**  
*Associated Press*

WASHINGTON — President Donald Trump returned to his own kind of code talking Monday by deriding Democratic Sen. Elizabeth Warren as "Pocahontas" at a White House event honoring Native American war heroes.

"You were here long before any of us were here," Trump said as he honored three Navajo code talkers from World War II. And then he added, without naming Warren: "We have a representative in Congress who they say was here a long time ago. They call her Pocahontas. But you know what, I like you."

In fact, Trump deployed that nickname for the Massachusetts senator repeatedly during the 2016 presidential campaign and, as president, as recently as a Nov. 3 tweet. Native American leaders have called Trump's past attacks on Warren offensive and distasteful. Some Democrats have called the nickname racist.

Trump made the comment as he stood near a portrait of President Andrew Jackson, which he hung in the Oval Office in January. Trump admires the seventh president's populism. But Jackson also is known for signing the Indian Removal Act of 1830, in which the Cherokee Nation was removed from its lands in what is now known as the "trail of tears."

**"We have a representative here in Congress who they say was here a long time ago. They call her Pocahontas. But you know what, I like you."**

— Donald Trump, President of the United States

The Navajo Nation suggested Trump's remark Monday was an example of "cultural insensitivity" and resolved to stay out of the "ongoing feud between the senator and President Trump."

"All tribal nations still battle insensitive references to our people. The prejudice that Native American people face is an unfortunate historical legacy," Navajo Nation President Russell Begay said in a statement. He added that the Navajo Nation remains honored by the White House recognition of the code talkers.

White House spokeswoman Sarah Huckabee Sanders, asked about criticism of Trump's remarks, said a racial slur "was certainly not the president's intent."

But the remark is the latest in a long list of remarks Trump has made about people from specific ethnic and racial groups. Announcing his longshot campaign for president in 2015, Trump said many Mexican immigrants are rapists. He's sought to ban immigrants from certain Muslim majority nations. He's come under fire for what some said was a too-slow federal response to hurricane damage in Puerto

Rico. Trump also raised eyebrows for apparently having some fun in October with the name of the U.S. territory — "Puerrto Rico," he said — at an East Room event for Puerto Ricans.

Those in the Oval Office for Monday's event gave no visible reaction to Trump's "Pocahontas" comments. But Warren and other Democrats were quick to respond.

"This was supposed to be an event to honor heroes, people who put it all on the line for our country, who, because of their incredible work, saved the lives of countless Americans and our allies," Warren said in an interview on MSNBC. "It is deeply unfortunate that the president of the United States cannot even make it through a ceremony honoring these heroes without having to throw out a racial slur."

New Mexico Sen. Tom Udall, vice chairman of the Indian Affairs committee, added: "Donald Trump's latest racist joke — during Native American Heritage Month no less — demeaned the contributions that the code talkers and countless other Native American patriots and citizens have made to our great country."

## Two fight for control of consumer watchdog; judge yet to rule

—Associated PRESS

WASHINGTON — With emails, tweets and doughnuts, the two dueling acting directors battled for control of the nation's top financial watchdog agency, the Consumer Financial Protection Bureau, on Monday.

Leandra English, who was elevated to interim director of the bureau late last week by its outgoing director, sent staff an email offering Thanksgiving wishes. President Donald Trump's choice for the role — White House budget director Mick Mulvaney — then emailed staff to tell them to "disregard" any instructions from English.

Laying down markers in what has quickly become a war of optics, both signed their missives "Acting Director."

English has filed a lawsuit seeking a temporary restraining order to block Mulvaney from taking over the bureau. Judge Timothy Kelly, a Trump appointee approved recently by the Senate, heard arguments on the case late Monday afternoon but didn't immediately rule.

The government planned to file its response in the case Monday night, and the judge said he'll read the filing and "go from there."

Mulvaney, speaking to reporters at the bureau, announced he was imposing a 30-day freeze on hiring and new rulemaking. Despite previous comments calling the agency a "joke" and an example of bureaucracy run amok, he said the bureau would remain functioning.

"This agency will stay open. Rumors that I'm going to set the place on fire, or blow it

up or lock the doors are completely false," he said. "I am a member of the executive branch of government. We intend to execute the laws of the United States."

Mulvaney said the day went smoothly, though he noted the power struggle may be awkward for people who know English.

Responding to news reports about the conflicting leadership, he said, "There was one person today who showed up at work claiming to be director. She wasn't here."

Meanwhile, in a show of support, top Senate Democrats including Senate Minority Leader Chuck Schumer and Sen. Elizabeth Warren of Massachusetts, met with English.

Earlier in the day, it was a battle of optics as Mulvaney and English jostled for control via emails, tweets and doughnuts.

Mulvaney arrived Monday morning at the agency with doughnuts, and his staff tweeted out photos of him meeting with agency division heads. Meanwhile, English sent a department-wide email saying she hoped everyone had a great Thanksgiving.

Meanwhile, Mulvaney quickly responded to English's email, instructing CFPB staff to "disregard" any directives from her.

English was promoted from chief of staff to deputy director by Richard Cordray as he prepared to resign last Friday. Cordray was appointed to the position by President Barack Obama and has been long criticized by congressional Republicans for being overzealous but lauded by consumer advocates for aggressively going after banks for wrongdoing, like in the case of Wells Fargo.



Mick Mulvaney



Leandra English

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