

# The world in brief

Catch up quickly on the global stories that matter

**America** said it was evacuating some staffers from its embassy in **Iraq** amid increasing security concerns. Earlier on Wednesday Mr Trump suggested [nuclear negotiations](#) with **Iran** were stalling, and Britain warned of risks to shipping in the Middle East. Iran's defence minister warned that if his country were attacked, it would retaliate against American bases in the region.

**Mr Trump** said America's and China's deal to temporarily lower reciprocal tariffs was complete, subject to his final approval and that of **Xi Jinping**, China's leader. The deal [restores a truce](#) in the countries' trade war, which was agreed in May but later stalled over China's curbs on rare-earth exports. Mr Trump said China would now provide rare earths "up front".

Cities across America prepared for **protests** against federal immigration raids following [days of disorder](#) in **Los Angeles**. The Republican governor of Texas, Greg Abbott, said he would deploy National Guard troops on Wednesday to ensure order in the state. LA was quiet after the city's mayor introduced a curfew in its downtown area on Tuesday night.

**Britain's** chancellor, Rachel Reeves, [revealed the government's departmental-spending plans](#) until the 2028-29 fiscal year. Day-to-day budgets will increase by 2.3% in real terms across the period, with [defence and health spending](#) receiving big boosts. But some big departments, such as the Home Office, which has responsibility for policing, border-security and immigration, face real-term spending cuts.

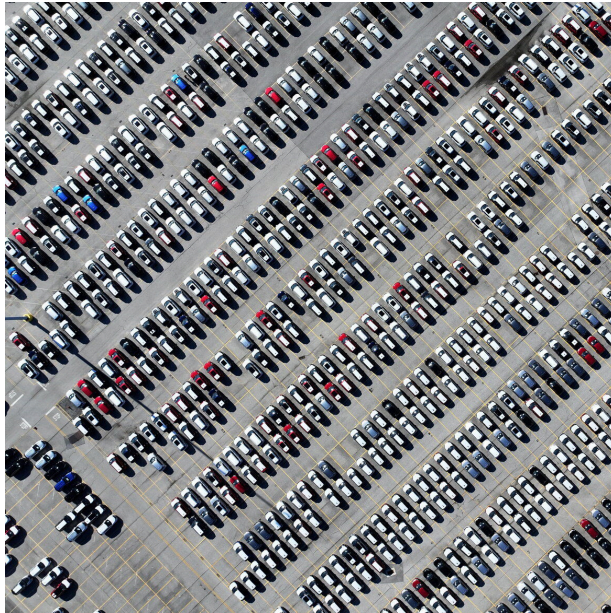
**Disney** and Comcast, which owns **Universal Pictures**, sued Midjourney, an AI image generator, for copyright infringement. The

[studios](#) called [Midjourney](#) a “bottomless pit of plagiarism” and claimed it ignored demands to cease using protected material. They are the first Hollywood giants to [sue an AI company for copyright](#). Midjourney has been used to recreate images of characters from “Star Wars” and “Frozen”, among others.

**South Korea’s** armed forces said they would turn off [loudspeakers](#) that project propaganda across the border into North Korea. South Korea reintroduced the broadcasts last summer after a six-year pause. [Lee Jae-myung](#), South Korea’s newly-elected president, wants more engagement with the North than his hawkish predecessor, Yoon Suk Yeol, did.

**Brian Wilson**, the chief songwriter of the [Beach Boys](#), died aged 82. Mr Wilson, hailed as a genius by the likes of Paul McCartney and Bob Dylan, composed enduring hits for the pop group such as “Surfin’ USA”, as well as the album “Pet Sounds”, considered his greatest achievement. He also suffered from drug addiction and mental illness, and was diagnosed with dementia.

**Figure of the day:** 3m, the number of young Chinese who have gone to study in America since China opened up in the late 1970s. [Read the full story](#).



Photograph: Getty Images

## Will tariffs push up American inflation?

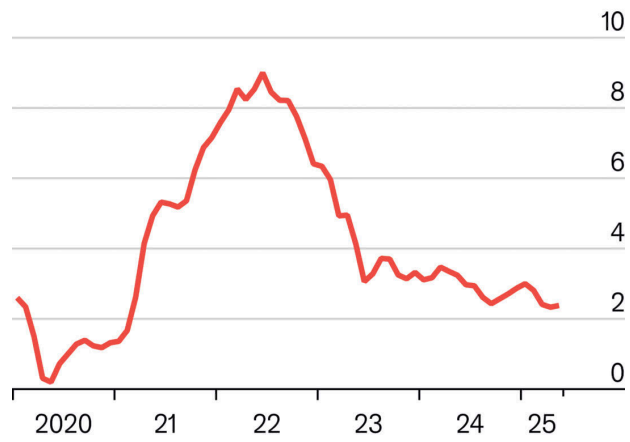
America's statisticians have just released [inflation figures](#) for May. Core inflation (ie, excluding energy and food) rose by just 0.1% on the month, far below economists' expectations. But the good news also marks the beginning of what will become a furious debate: are [tariffs](#) pushing up inflation?

Some goods with a high share of imported elements are starting to get pricier. The seasonally adjusted price of toys, games and hobby equipment rose by more than 2% on the month. The price of big appliances, such as fridges, rose by more than 4%. That will hit family budgets. But on the whole, tariff effects were hard to tease out. Goods and services that are not bought internationally, and thus unaffected by tariffs, saw weaker inflation. The price of shelter rose only a bit. Airline fares dropped. It is still early days in the tariff wars: many companies have hoarded imports to avoid raising prices. Still, the White House will be pleased.

## Bracing for impact

### United States, consumer prices

% increase on a year earlier



Source: Haver Analytics



Photograph: dpa

## **Hamas's new leaders have new ideas**

On Sunday Israel confirmed the death of Muhammad Sinwar, the military chief of Hamas and the younger brother of Yahya Sinwar, who orchestrated the October 7th attacks. Previously, the killing of Hamas leaders had made little difference to the course of the war in Gaza. But now the dynamics of Hamas's leadership [may be shifting](#), thereby improving the prospects for a peace deal. In recent days Hamas has indicated it is open to discussing new terms.

Now that Israel has all but wiped out Hamas's commanders inside Gaza, a quartet of leaders outside the territory—in Doha, Beirut and Istanbul—have the upper hand. Three are expected to support a deal under which Hamas would relinquish control of post-war Gaza (bowing to a demand by Israel) but continue to exist outside it. That could pave the way for a ceasefire. So too might the continuing destruction of Gaza by Israel's army.



Photograph: EPA

## Britain's economic squeeze

After raising cash at last October's budget with tax rises and higher borrowing, Rachel Reeves now gets to dole it out. Britain's finance minister used a spending review on Wednesday to announce how much government departments get up to the 2028-9 fiscal year. A geopolitical imperative for higher defence spending and a need to turn around the National Health Service swallowed up much of the cash, squeezing the rest of the state.

And looming uncomfortably over the whole process is the question of whether the government's broader spending assumptions, finalised at the Spring Statement in March, are still credible. Donald Trump has since announced his "[Liberation Day](#)" tariffs, endangering Britain's [growth prospects](#). The Office for Budget Responsibility, a fiscal watchdog, is contemplating whether to revise down its rosy assumptions about Britain's long-term growth. That would limit the government's ability to borrow while remaining within its self-imposed fiscal rules. The squeeze isn't going anywhere.





Photograph: Reuters

## Poland's government tries to restore confidence

Hours after the result of [Poland's presidential elections](#) was announced last week, a downbeat Donald Tusk addressed the nation. "Things may be more difficult than many of you imagined when you went to the polls," said the prime minister. His candidate, Rafal Trzaskowski, had lost to Karol Nawrocki, a nationalist backed by Mr Tusk's arch-rivals, the Law and Justice party.

Mr Tusk bears much of the blame. After more than 15 months in power, he has made little progress on his liberal agenda, largely because of disagreement within his own coalition government. In the parliamentary election of October 2023, his camp collectively received 11.6m of the vote; in this election Mr Trzaskowski obtained just 10.2m.

On Wednesday Mr Tusk survived a confidence vote in parliament, which he had called in an effort to reassert his mandate. Next, he is expected to fire some ministers. Then comes the hard part: trying to [win back](#) the trust of his voters alongside a president who may be no more co-operative than the last.



Photograph: Getty Images

## Cricket's test of Tests

On Wednesday at Lord's cricket ground in London, South Africa and Australia began the final game of the World Test Championship. The tournament was created to crown the best team in Test cricket—and to revitalise the traditional, long-format game, which some worried was losing ground to fast-paced Twenty20 leagues. But its design is not ideal—teams play unequal numbers of matches and the points system is convoluted.

It held its first final in 2021, when unfancied New Zealand beat mighty India. South Africa will be underdogs this time. Their captain, Temba Bavuma, became the first black South African to score a Test hundred in 2016. His recent performances have been mixed. But he has led the team ably through a huge turnover of players and, crucially, a clear decision among selectors to prioritise T20.

Australia will field a relatively settled side, including a vastly experienced and fearsome bowling attack. But the Kiwis showed that upsets are perfectly possible in one-off games.





Illustration: The Economist

## Daily quiz

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 BST on Friday to [\[email protected\]](#). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Wednesday:** Which actress starred in the 1970s TV series “Police Woman”?

**Tuesday:** What title did Lauren Weisberger give to her novel about life in the fashion publishing industry?

*Wisdom without honesty is mere  
craft and cozenage.*

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***Ben Jonson***