



## Economic growth hit 2-year high in summer

Yet experts caution it's unlikely to last due to effect of tariffs, shutdown

BY ABHA BHATTARAI

The U.S. economy grew at its fastest pace in two years from July through September, capping six months of robust growth that economists caution is unlikely to continue.

New data from the Commerce Department on Tuesday — delayed by two months because of the government shutdown — showed that gross domestic product grew at an annualized rate of 4.3 percent during the third quarter, driven mainly by consumer spending and a rise in net exports, as U.S. companies sold more industrial supplies, pharmaceuticals and gold abroad.

“This was the strongest six months of growth since late in 2023, but it certainly didn't feel that way for most people,” said Diane Swonk, chief economist at accounting firm KPMG. “Consumers are still spending, and there's been extraordinary investment in data centers, but we're in a very odd situation where the economy is growing without generating jobs.”

Despite the hefty growth, many economists are forecasting tepid, if any, growth in the current fourth quarter, largely because of the spending and investment hit from the 43-day government shutdown that began Oct. 1.

GDP, the sum of all goods and services produced in the country, is the broadest measure of the economy. Brisk consumer spending, led by health care, recreational goods and cars, made up more than half of the latest quarter's growth. A pickup in U.S. exports and government spending also contributed, while a pull-back in business investment subtracted from overall growth.

President Donald Trump was quick to cheer the strong reading as proof that his trade policies were juicing the economy.

“The SUCCESS is due to Good Government, and TARIFFS,” he posted on the social media platform Truth Social. “Consumer spending is STRONG, Net Exports are WAY UP, Imports and

SEE GDP ON A18



JEHAD ALSHRAFI/AP

Children decorate a Christmas tree at Gaza City's Holy Family Church, where hundreds of Christians took refuge during the war.

## ‘An attempt to renew life’ in Gaza

For the first time in three years, the Gaza Strip's tiny Christian community is celebrating Christmas without the immediate threat of war.

A ceasefire has brought the enclave a measure of calm, and over the past few weeks, Christians there have embraced the holiday spirit, lighting up trees and passing out sweets.

On Sunday, the Latin patriarch of Jerusalem, Cardinal Pierbattista Pizzaballa, led a Christmas Eve Mass at Holy Family Church in Gaza City, where he baptized the newest member of the com-

The enclave's tiny community of Christians — battered and diminished by war — is holding its first Christmas celebrations in three years

BY MOHAMAD EL CHAMAA  
AND SIHAM SHAMALAKH  
IN BEIRUT

munity, a baby named Marco Nader Habshi.

“It will not be full of joy, but it is an attempt to renew life,” Elias al-Jilda, 59, a prominent member of Gaza's Orthodox population, said of this season's holiday celebration.

He said he remembers the days when Christmas in Gaza meant citywide festivities, with Muslims and Christians coming together. “It was a special occasion,” he added, “an opportunity for us to breathe.”

But while the holidays have long

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## Internal ICE chats show ‘meme-ification’ of raids and arrests

Agency's public affairs team coordinates with the White House to satisfy demands for viral videos

BY JOYCE SOHYUN LEE  
AND DREW HARWELL

For the Immigration and Customs Enforcement public affairs team, the nighttime operation across metro Houston in October was a gold mine.

An ICE video producer shadowed agents as they pulled over and handcuffed more than 120 suspected undocumented immigrants, then sent the footage to a private team chatroom.

ICE official 1  
Oct. 29, 2:10 p.m.

Arrests are wonderful!

ICE video producer 1  
Oct. 29, 2:13 p.m.

Great shooting!

Across thousands of internal ICE messages reviewed by The Washington Post, this kind of celebration has become commonplace. The messages show how the team has worked closely with the White House, which has urged them to produce videos for social media of immigrant arrests and confrontations to portray its push for mass deportation as critical to protecting the American way of life.

Before officials could post the Houston video, they had to figure out how to frame it.

SEE ICE ON A6

## Inside the Fed's quiet fight to keep its independence

The central bank has spent much of the year grappling with whether to cede ground to the White House

BY ANDREW ACKERMAN

This spring, the presidents of the Federal Reserve's regional banks gathered behind closed doors in Philadelphia to debate an uncomfortable question. The discussion focused on plans to cut 10 percent of the Fed's staff, a step aimed at aligning the central bank with a broader White House drive to shrink the federal workforce — and one that drew push-back from some top officials.

Chicago Fed President Austan Goolsbee questioned the move in the meeting, which has not been previously reported, arguing it might invite further White House demands, according to two people familiar with the discussion, including one who spoke directly to a regional president who described the debate as contentious. But Goolsbee's objections, shared by others in the room, were effectively overruled.

In that meeting, the details of which The Washington Post has

SEE FED ON A18



KENT NISHIMURA/REUTERS

President Donald Trump and Federal Reserve Board Chair Jerome H. Powell in July.

## The year Trump broke the federal government

How DOGE and the White House carried out a transformation that had once been unfathomable

BY HANNAH NATANSON  
AND MERYL KORNFIELD

A State Department worker watched on television as President Donald Trump, hours into his second term, signed executive orders that halted relocation flights for Afghan refugees — which her office existed to coordinate. She wondered: What would happen now?

A Veterans Affairs staffer in that agency's equity office watched Trump sign another document, this one outlawing diversity programs, and thought, “It's over.” And in a Social Security building, a woman wandered over to her co-worker's desk worried about Russell Vought, Trump's pick for budget director. Vought said he wanted to put federal workers “in trauma,” she pointed out, and would soon de-

cide which agencies to cut and by how much.

“It isn't easy to fire federal employees,” her co-worker told her. “We have all these protections. We'll be okay.”

He was wrong. The United States' 2.4 million federal employees were about to get caught up in a once-unthinkable overhaul of the nation's sprawling bureaucracy, carried out in less than a year by one of the most polarizing presidents in American history.

Missions have shifted or shattered. Entire agencies were deleted. Nearly 300,000 employees were forced out of the federal workforce. The Trump administration froze or shut off billions of dollars in scientific research, gutted or eliminated offices and programs devoted to civil rights and diversity, rewrote the federal

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**THE ECONOMY**  
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