

South Korean Increasing Missile Defense; Susan Rice Questioned by House Intelligence Committee; President Trump Makes Deal with Democrats for Debt Ceiling Increase and Harvey Aide; President Trump Speaks about Need for Congressional Action on Immigration Reform; Hurricane Irma; Paying for Harvey; The Art of the Deal; The Trump Transformation; Menendez Trial; Health Care Common Ground

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Body

BRET BAIER, FOX NEWS CHIEF POLITICAL ANCHOR: This is a Fox News alert.

Good evening. I am Bret Baier in Washington.

We are keeping our eye on the eye of the storm -- Hurricane Irma is tearing up Puerto Rico right now as it rips through the Caribbean. Parts of Florida, already being evacuated tonight.

President Trump strikes a deal with Democrats on Harvey funding, the debt limit, government funding -- a deal Democrats are touting. Right now the President is returning to Washington after rallying his base in North Dakota over tax reform.

First up though, a storm already called the strongest Atlantic Ocean hurricane ever recorded.

Correspondent Phil Keating is in Miami-Dade County with people getting ready and getting out. Good evening -- Phil.

PHIL KEATING, FOX NEWS CORRESPONDENT: Good evening -- Bret.

Long lines of cars snaking around every gas station in south and central Florida tonight as people tried to get fuel, anticipating gas stations won't be working with a week's loss of power after this hurricane.

Although widespread reports are many gas stations have run out. That actually happened here about an hour and a half ago but that's the best sight right now in all of south Florida. A fuel truck showing up, letting the lines form again.

And as anxiety and worry and legitimate panic grow by the hour, if Irma slams first into Miami -- that is six million people facing catastrophic impact.

(BEGIN VIDEOTAPE)

KEATING: Irma won't be Eddie Pimentel's first hurricane.

Are you scared?

EDDIE PIMENTEL, FLORIDA RESIDENT: Yes. I am. So you know, just like I said, you hope for the best.

KEATING: Hopeful yet still fueling up. This long-time Florida resident is heeding warnings about what is to come.

GOV. RICK SCOTT (R), FLORIDA: The storm is bigger, faster and stronger than Hurricane Andrew.

KEATING: While officials order mandatory evacuations for the Florida Keys and Fort Lauderdale's Broward County.

Out of gas now?

UNIDENTIFIED MALE: Yes sir.

PIMENTEL: It's been very frustrating. I mean it's just -- it's chaos out there.

KEATING: Chaos amid dwindling options for escape. Gas stations are closing today in the Florida Keys. Rental cars are sold out, and flights are in short supply. The last plane takes off tomorrow night and a seat may be expensive -- according to complaints online, one-way tickets pricing over \$1,000.

MAYOR BARBARA SHARIEF, BROWARD COUNTY: Hurricane Irma continues to bear down on south Florida with impact expected beginning on Friday evening.

KEATING: Broward County's mayor is calling for a local state of emergency as the most powerful hurricane ever recorded in the Atlantic Ocean made landfall in the Caribbean. This video was taken aboard a plane traveling right through the eye of the storm as it intensified.

And on the ground, winds blowing at 185 miles an hour in St. John. The island of St. Martin in a total blackout and first looks at damaged show major flooding.

In Puerto Rico, power lines and trees down and officials there are predicting some areas will be out of electricity for up to six months.

DONALD TRUMP, PRESIDENT OF THE UNITED STATES: Seems to be a record- breaking hurricane heading right toward Florida and Puerto Rico and other places.

KEATING: Those places currently under a state of emergency.

SCOTT: I cannot stress this enough, do not ignore evacuation orders. Remember we can rebuild your home but we cannot rebuild your life.

KEATING: Governor Scott's words come as the Gulf Coast rebuild after Hurricane Harvey. And today the U.S. Navy redirecting two warships on their way to help recovery there to stay off the coast of Florida instead. Planes and the National Guard also on their way.

SCOTT: On Friday, all 6,000 remaining available National Guard members will be reporting for duty.

KEATING: And soon the same will come for South Carolina. Governor Henry McMaster announcing a state of emergency in his state but first in its path, the Florida Keys readying for the worst and hoping only to escape.

UNIDENTIFIED FEMALE: Preparing our house isn't the bad part. It's getting on the road and not knowing what we're going to run into. So we're hoping to just get out of the state of Florida.

(END VIDEOTAPE)

KEATING: And as of this afternoon, Miami-Dade County's mayor now has joined Monroe County, the Florida Keys to the south and Broward County, Fort Lauderdale to the north by ordering a voluntary evacuation for coastal cities including Key Biscayne and downtown Brickell.

However most people, including the mayor of Miami Beach fully expect a mandatory evacuation order is absolutely going to come possibly as early as tomorrow -- Bret.

BAIER: All right. Phil -- thank you.

Let's find out where Irma is heading specifically and when. Meteorologist Rick Reichmuth is at the Fox Weather Center in New York. Good evening -- Rick.

RICK REICHMUTH, AMS METEOROLOGIST: Good evening -- Bret.

Yes. This is the last images here visible satellite coming to us. Moving to the north of Puerto Rico -- that's good news that it's gone just to the north. The strongest of the winds are right here in this inner eye wall. This is visible here on the radar. And that is offshore. That's good news.

And we've had though some hurricane force wind gusts across the north shore here in Puerto Rico. We're going to continue to see that pull off towards the west. Folks tomorrow across Turks and Caicos then into the Bahamas are going to be raked with this storm. There's no way around it, I don't think.

They are going to have -- in fact some of these very low-lying islands will probably be washed over with the storm surges associated with this. Once it gets out here, we'll tell you the water is incredibly warm and because of that we expect to see the storm maintaining maybe a Category 5 or a Category 4 strength over the next number of days.

And then this gets up here towards Sunday. This cone here, somewhere in this area we expect to see the storm move on. If it cuts right here and towards south Florida, it could be a Category 4, Category 5 storm right here in south Florida.

I want you to notice this also. This is a very eerily similar track to what we saw last year with Matthew. It hugged to the coast and then made landfall in South Carolina. That's also certainly a very possibility.

It depends on when this right-hand turn happens -- Bret. And we probably won't know that until maybe later tomorrow or early Friday when we can be firm about when we expect that to happen.

BAIER: You see those different models, and it's hard to believe we've had Harvey, we've got Irma. What can you tell us about Hurricane Jose?

REICHMUTH: Yes. Jose and Katya -- there's actually two more hurricanes out there. This one is Jose. I will tell you for the U.S., I'm not concerned about it right now but it is now a Category 1 hurricane and it's kind of moving in the same direction.

By Saturday, it's going to be very dangerously close to the Lesser Antilles, areas that got hit by Cat 5 storm Irma last night. So that's moving in that direction.

There's another one out there -- Katya. That is going to move in towards the coast of Mexico. So three hurricanes at one time in the Atlantic Basin; September 10, Bret, is the peak of hurricane season in the Atlantic -- right on target. We are certainly active right now.

BAIER: It's amazing. Rick -- thank you.

Now to what at the moment is the costliest natural disaster in U.S. History so far -- Hurricane Harvey. As Congress works on an almost \$8 billion relief bill, the people who live in southeast Texas are engaged in the difficult job of cleaning up and rebuilding.

Senior correspondent Rick Leventhal is in Orange, Texas once again. Good evening -- Rick.

RICK LEVENTHAL, FOX NEWS CORRESPONDENT: Good evening -- Bret. Some areas can't even begin cleaning up yet because they are still waiting for the waters to recede nearly two weeks after Harvey came ashore.

The city of Orange is right on the Sabine River which is a big reason why many of the streets here are still flooded. In fact county officials tell us it's 65 percent to 75 percent of the homes in this are were damaged by the storm.

Earlier today we followed soldiers with the Texas National Guard's 36th infantry division with two high-water vehicles that were loaded with cases of water and MREs, the meals ready-to-eat and some other supplies.

They were going door-to-door in one of these still-flooded neighborhoods to pass out supplies and do some welfare checks. And the residents certainly seemed grateful for the assistance.

(BEGIN VIDEO CLIP)

LEVENTHAL: How has this changed your life having these guys come through here right now?

UNIDENTIFIED MALE: A lot. Because it's the first help we've had in a couple of days.

UNIDENTIFIED MALE: MREs and water, a little bit of food. It's a blessing.

UNIDENTIFIED FEMALE: The water is nasty.

LEVENTHAL: And this will hold you over for a while?

UNIDENTIFIED FEMALE: Oh yes, sir.

UNIDENTIFIED MALE: I wasn't expecting this much.

(END VIDEO CLIP)

LEVENTHAL: And sometimes the rescuers need rescuing. We met a former marine named Christian Van Kirk (ph) who came to Orange with a medic friend of his to try and help people in need and he wound up running off of a side street into a deep ditch that was in the floodwaters.

It took a few attempts but the National Guard was able to help the Marine back to the hard ball and he took the whole thing in stride.

(BEGIN VIDEO CLIP)

CHRISTIAN VAN KIRK, FORMER MARINE: I came out here from Florida not knowing the area. Apparently there is four-foot ditches out of nowhere. So we got out. It's just a truck. It was a good experience. They got to do something different and had fun.

UNIDENTIFIED MALE: I think everybody had fun, right.

VAN KIRK: I appreciate it. Yes. I mean we are all out here for one cause. It's turned into another one.

(END VIDEO CLIP)

LEVENTHAL: At least ten storm-related deaths in Orange County, 70 state wide. There have been some 200,000 homes damaged or destroyed by the storm and up to a million vehicles ruined by the flood waters. And FEMA tells us they've already received nearly 600,000 registrations for assistance -- Bret.

BAIER: Long recovery there. Rick -- thank you.

Gasoline prices have jumped since Harvey made landfall -- the current national average \$2.66 a gallon. It was \$2.35 a month ago.

(BEGIN VIDEO CLIP)

TRUMP: Great meeting with Chuck Schumer, Nancy Pelosi and the whole Republican leadership group. And I will tell you we walked out of there -- Mitch and Paul and everybody, Kevin -- and we walked out and everybody was happy. Not too happy because you can never be too happy. But they were happy enough.

(END VIDEO CLIP)

BAIER: His book was the art of the deal. Today he came up with a big one to the chagrin of some Republican leaders in Congress.

President Trump went over the head of Republican colleagues and struck a deal with the Democrats that starts with funding for Hurricane Harvey victims.

Correspondent Peter Doocy is on Capitol Hill tonight.

(BEGIN VIDEOTAPE)

SEN. CHUCK SCHUMER (D-NY), SENATE MINORITY LEADER: Today was a good day in a generally very partisan town.

PETER DOOCY, FOX NEWS CORRESPONDENT: Senate Minority Leader Chuck Schumer saying that because Democrats got what they wanted today when President Trump agreed with Schumer and House Minority Leader Nancy Pelosi to attach short three-month debt limit and government funding measures to a Harvey relief bill.

SCHUMER: It will avoid default and it will fund the government avoiding a shutdown.

DOOCY: By siding with Schumer, the President defied Speaker Ryan who wanted a long-term debt limit increase.

REP. PAUL RYAN (R-WI), SPEAKER OF THE HOUSE: We've got all this devastation in Texas. We've got another unprecedented hurricane hitting -- about to hit Florida and they want to play politics with the debt ceiling?

DOOCY: But a source with knowledge of the deal tells Fox News the short- term plan gets Harvey funding faster and delays fights over the budget and debt so they can focus more on tax reform.

TRUMP: We essentially came to a deal and I think the deal will be very good.

DOOCY: But that deal is tough to swallow for the conservatives in the House Freedom Caucus.

REP. MARK MEADOWS (R-NC), HOUSE FREEDOM CAUCUS: This is certainly not the best option. It's, you know, typical Washington, D.C. kick the can down the road.

DOOCY: It's not just Republicans in the House who have issues with the new plan, Senator Ben Sasse simply says quote, "The Pelosi-Schumer-Trump deal is bad."

And when reports first surfaced that Democratic leadership would help deliver votes for Harvey relief in exchange for a short debt limit hike, Senator Orrin Hatch lashed out.

SEN. ORRIN HATCH (R), UTAH: I think that's just total B.S. It just shows that Democrats are not serious legislators.

DOOCY: Emergency agencies are spending money responding to Harvey at an astronomical rate and seemed pleased with any deal to keep funds coming.

ELAINE DUKE, ACTING SECRETARY OF HOMELAND SECURITY: I think that it's important that as we move forward on fixing the problems of our country that we work collaboratively between the executive and congressional branch.

DOOCY: As for Senate Majority Leader Mitch McConnell he says he understands why President Trump gave Democrats a win today.

SEN. MITCH MCCONNELL (R-KY), SENATE MAJORITY LEADER: His feeling was that we needed to come together, to not create a picture of divisiveness at a time of genuine national crisis.

(END VIDEOTAPE)

DOOCY: So even though it was Chuck Schumer's idea, McConnell says this week he will offer and then vote for three-month extensions to the debt ceiling and the bill that funds the government which means the big question becomes did the President's decision to side with Democrats this time damage his already frayed relationship with the Republican majority leader -- Bret.

BAIER: Peter Doocy, live on the hill. Peter -- thank you.

Well, what do you think? Do you think this deal is good? Should Harvey relief be tied to the debt ceiling at all or anything else? Three months?

Let me know on Twitter @BretBaier. You can use the #SpecialReport or on Facebook at facebook.com/BretBaiersr.

Tax reform -- a major issue for the Trump presidential campaign is now front burner for a president who is ramping up the pressure on Congress to deliver. He was in North Dakota today traveling with a Democratic senator.

Chief White House correspondent John Roberts has details. Good evening -- John.

JOHN ROBERTS, FOX NEWS CHIEF WHITE HOUSE CORRESPONDENT: Bret -- good evening to you.

With arguments over the debt ceiling and government spending now postponed for at least three months, the President hit the road today to sell his signature campaign issue.

(BEGIN VIDEOTAPE)

ROBERTS: In Mandan, North Dakota today, President Trump kept up the drumbeat for tax reform.

TRUMP: We need tax reform that is pro-growth, pro-jobs, pro-worker, pro- family, and yes, pro-American. And anybody that's going to vote against tax cuts and tax reforms whether it's in North Dakota or anybody else or anyplace else, you've got to vote against them and get them out of office.

ROBERTS: The President is banking on bipartisan support to make his proposal a reality, bringing with him on Air Force One North Dakota Democratic Senator Heidi Heitkamp.

TRUMP: Everyone is saying what is she doing up here? But I will tell you what. Good woman and I think we will have your support. I hope we will have your support.

ROBERTS: Bipartisanship was on the President's mind today, meeting this morning with both the Republican and Democratic congressional leadership to discuss the fall agenda -- Hurricane Harvey relief, the debt ceiling and keeping the government funded.

TRUMP: We have many, many things that are on the plate.

ROBERTS: Also on the table this morning, the President's decision to rescind the Deferred Action for Childhood Arrivals program. Just before their meeting, Senator Chuck Schumer tore a strip off President Trump.

SCHUMER: Let me say this. I want to cut to the chase. The President's decision -- the President's decision to end DACA was heartless and it was brainless. If this order stands, hundreds -- hundreds of thousands of families will be ripped apart.

ROBERTS: Aboard Air Force One following the meeting, President Trump had far more collegial assessment of where things stand.

TRUMP: We discussed that also today and Chuck and Nancy would like to see something happen, and so do I. I said if we can get something to happen, we are going to sign it and we're going to make it -- make a lot of happy people.

ROBERTS: but the President also sowed a little confusion last night. In response to the firestorm of criticism leveled at him for rescinding DACA, tweeting quote, "Congress now has six months to legalize DACA -- something the Obama administration was unable to do. If they can't, I will revisit this issue."

The tweet suggested that the President might give congress an out if they fail to enact a DACA fix. Asked about what he meant this afternoon, President Trump was playing coy.

TRUMP: Well, we are going to see what happens. I want to see what happens in Congress. I have a feeling that's not going to be necessary. I think they're going to make a deal. I think Congress really wants to do this.

(END VIDEOTAPE)

ROBERTS: Today 15 states including the President's home state of New York filed suit against him to try to block his rescission of DACA. The people who filed the sued claim that what the President did yesterday was illegal, and designed only to placate his base by denigrating and punishing people with Mexican roots -- Bret.

BAIER: John Roberts, live on the north lawn. John -- thanks.

Federal officials say they are 80 large fires burning over 2,200 square miles in nine western states. People in Oregon are covering their faces with scarves to keep the choking -- to keep choking from ash from those wild fires and from that filling their lungs.

The 16 square mile blaze near Portland has forced hundreds of evacuations and sparked fires across the Columbia River in the Eastern Washington state. Health warnings are issued, roads are closed. Many outdoor activities for children are canceled. We'll keep an eye on this as well.

A corruption trial for a U.S. Senator that could have major ramifications for all Americans. We'll explain next.

BAIER: New Jersey Democratic Senator Bob Menendez says he will be vindicated in his corruption trial that began today. Menendez is accused of taking bribes from and doing favors for a Florida doctor. The trial has also serious ramifications for the U.S. Senate and Senate math for the leadership.

Correspondent David Lee Miller is in Newark, New Jersey tonight.

(BEGIN VIDEOTAPE)

SEN. BOB MENENDEZ (D), NEW JERSEY: Never, not once, not once have I dishonored my public office.

DAVID LEE MILLER, FOX NEWS CORRESPONDENT: New Jersey Democratic Senator Bob Menendez on trial for bribery was on the verge of tears as he proclaimed his innocence outside federal court in Newark.

MENENDEZ: I appreciate my family, my son and daughter being here with me today. I appreciate all of my supporters.

MILLER: Menendez faces a dozen criminal charges. He is accused of accepting more than \$700,000 in campaign related cash and thousands of dollars in free hotel rooms and air travel from a longtime friend, Dr. Salomon Melgen.

During opening statements, the prosecution told the jury that as part of the bribery scheme, Menendez sent the doctor an e-mail asking him to provide a \$1500 a night Paris hotel room with a limestone bath and a view of the courtyard.

Prosecutors say Menendez in exchange helped the doctor in multimillion dollar business deals and allegedly tried to get visas for the doctor's foreign girlfriends. Both Melgen who has a previous conviction for Medicare fraud and Menendez are on trial.

But there is more at stake. The trial could change the balance of power in the U.S. Senate. The judge rejected a motion by Menendez to change the trial schedule to allow him to attend crucial votes such as health care.

In a testy exchange today, Menendez's attorney accused the judge of disparaging the defense in his written opinion. At one point the judge told Menendez's lawyer, quote, "Shut up for a moment if you don't mind." Menendez says he will exercise his constitutional right to attend the trial but acknowledged the conflict he faces if Democrats need his vote in the Senate.

MENENDEZ: I will make a decision based upon the gravity of the situation and the difference that my vote could make.

MILLER: During his opening statement, Menendez's lawyer told jurors a single word can cut through a mountain of evidence. That word -- friendship. The defense says this isn't a case of bribery, just one friend helping out another -- Bret.

BAIER: David Lee Miller in Newark. David Lee -- thank you. While the Republican-led Congress has failed so far to repeal Obamacare, lawmakers on both sides of the aisle are now trying to save it at least for a while.

Chief congressional correspondent Mike Emanuel tonight on the effort to bring some stability to ever-increasing costs.

(BEGIN VIDEOTAPE)

MIKE EMANUEL, FOX NEWS CHIEF CONGRESSIONAL CORRESPONDENT: Nine million Americans who buy their insurance in the Obamacare individual market and don't get government subsidies are due to get hammered again with premium increases unless Congress acts by September 27. That's when insurance companies must sign contracts to sell on the federal exchange for next year.

MARK KREIDLER, WASHINGTON INSURANCE COMMISSIONER: The proposed average rate increases for that we've seen for 2018 are 23 percent. In years past it's been under 10 percent.

EMANUEL: Five state insurance commissioners from Tennessee to Alaska shared their expertise with the Senate panel. They emphasized the need for bold action by Congress.

JULIE MCPEAK, TENNESSEE INSURANCE COMMISSIONER: Tennessee had around a dozen carriers offering individual health insurance coverage in 2010 reduced to only three companies offering ACA compliant plans in 2018.

EMANUEL: The message being the current trajectory in these states is not sustainable.

LORI WING-HEIER, ALASKA INSURANCE COMMISSIONER: Premiums in the individual market in Alaska have increased by 203 percent since 2013.

JOHN DOAK, OKLAHOMA INSURANCE COMMISSIONER: Over the past four years, rates in our market place have increased by 130 percent.

EMANUEL: Republican Chairman Lamar Alexander wants to get to the root of the problem.

LAMAR ALEXANDER (R), TENNESSEE: We should be looking at the real ways to bring down the cost of health care, which is the best way to reduce the cost of health insurance.

EMANUEL: There's also the issue of whether President Trump will stop monthly Obamacare subsidy payments, the next one is due on September 20.

Today the panel's top Democrat issued this warning.

SEN. PATTY MURRAY (D-WA), SENATE HEALTH COMMITTEE: Failing to make those payments is going to spike premiums for the most popular plans in the marketplace by 20 percent.

EMANUEL: White House aides are still holding out hope for Congress to pass an Obamacare replacement such as one offered by Republican Senators Lindsey Graham and Bill Cassidy which would block grant federal funds to states.

KELLYANNE CONWAY, SENIOR COUNSELOR TO PRESIDENT TRUMP: The President is ready. He's ready with pen in hand to sign health care reform if say Graham-Cassidy moves forward.

(END VIDEOTAPE)

EMANUEL: Tomorrow the same committee will hear from five governors. Chairman Alexander is pressing his colleagues to reach consensus by the end of next week on how best to help consumers at least short term -- Bret.

BAIER: Mike Emanuel, live on the hill. Mike -- thanks.

The House has approved a bill to speed up the introduction of <u>self-driving cars</u> by giving the federal government authority to exempt automakers from safety standards that do not apply to that technology. It would permit the deployment of up to 100,000 of these vehicles annually over the next several years. The Senate is working on its own version of the bill but no measure has been introduced yet.

Stocks were up today. The Dow gained 54. The S&P 500 finished ahead 8. The Nasdaq climbed 18.

Washington's National Cathedral will remove two stained glass windows depicting Robert E. Lee and Thomas "Stonewall" Jackson. Cathedral leaders say recent racial violence in Virginia brought urgency they say to the process that began two years ago after an attack on black church members in South Carolina. They call the windows inconsistent with their current mission and quote, "a barrier to work on racial justice and reconciliation".

Up next -- fight or talk. President Trump consults with world leaders about North Korea while his national security team briefs Congress.

First here's what some of our Fox affiliates around the country are covering tonight.

Fox 10 in Phoenix as an Iraqi student pilot dies when his F-16 fighter jet crashed into the Arizona desert. It's the second death of an Iraqi of 16 pilot in recent years. The U.S. trains those pilots at the request of the Iraqi government.

Fox 5 in Atlanta as police in suburban Henry County say a tiger that was running loose on a Georgia highway was shot and killed. Drivers reported seeing a tiger earlier today on the northbound lanes of Interstate 75 in Stockbridge, about 20 miles southeast of Atlanta. The tiger jumped over a fence and attacked a dog in the backyard of a home. It was then put down. The dog, by the way, is fine.

And this is a live look at Boston from our affiliate Fox 25. The big story there tonight -- another cheating scandal for a Boston sports team. This time it's the Red Sox. They have admitted to improperly using electronic devices to steal signs from the New York Yankees. Stealing signs is a baseball tradition, using technology to do it is forbidden. No word yet on a possible punishment.

That's tonight's live look outside the Beltway from SPECIAL REPORT. We will be right back.

BRET BAIER, FOX NEWS HOST: This is a FOX News alert. A lot of activity tonight on the North Korea front. President Trump is talking with world leaders, including the president of China, a conversation that was described as blunt and frank. His national security team is briefing Congress. And Russian President Vladimir Putin is urging talks, not sanctions.

Senior foreign affairs correspondent Greg Palkot is in Seoul, South Korea.

(BEGIN VIDEOTAPE)

GREG PALKOT, FOX NEWS SENIOR FOREIGN AFFAIRS CORRESPONDENT: South Korea is stiffening its defenses, four more launchers being added to a U.S. run THAAD antimissile battery installation. Following what he said was a very good call with Chinese President Xi, President Trump talked about prospects of military action against North Korea.

DONALD TRUMP, (R) PRESIDENT OF THE UNITED STATES: We are going to see what happens. We will see what happens. Certainly that's not a first choice, but we will see what happens.

PALKOT: North Korean ally China is key in putting pressure on Kim Jong-un. The Chinese, though, like the Russians, are resisting stiffer sanctions. In a summit meeting in Russia with President Putin, South Korean President Moon played his country's case.

MOON JAE-IN, SOUTH KOREAN PRESIDENT (through translator): If North Korea doesn't stop its provocations now, we will encounter an unpredictable situation.

PALKOT: All this as South Koreans watch and wait near the action.

This is about as close as most South Koreans can get to North Korea. Just about a couple miles beyond that river, the DMZ and the land of Kim Jong- un. What are the people here feeling during this time of crisis?

UNIDENTIFIED FEMALE (through translator): I'm very concerned about the situation, very concerned about the future of South Korea.

UNIDENTIFIED MALE (through translator): I feel that I am very worried, but I think the general public is not worried because they're too busy with their own lives.

PALKOT: Officials here expect a launch of yet another intercontinental ballistic missile by the north, and experts pour over new images of last weekend's nuclear test, so strong it triggered landslides and earthquakes felt in the south. It is a threat so big even NATO's chief inspecting troops in the Baltics weighed in.

JENS STOLTENBERG, NATO SECRETARY GENERAL: I call on North Korea to refrain from more testing and to abandon their missile program and abandon their nuclear program.

(END VIDEOTAPE)

PALKOT: I asked one of those South Koreans earlier about President Trump. One man told me he only says stuff and that he wanted reassuring actions, reassurance hard to find in this crisis. Bret?

BAIER: Greg Palkot in Seoul. Greg, thanks.

A United Nations panel says there are reasonable grounds to believe Syrian President Bashar al-Assad's military conducted a Sarin gas attack that killed at least 83 civilians in April. Investigators say it was one of 20 chemical attacks by Syria over the past four years. Syria has denied responsibility.

Lawmakers back from vacation are once again digging into Russia's interference in last year's U.S. election. Chief intelligence correspondent Catherine Herridge tells us some very high-profile witnesses are expected.

(BEGIN VIDEOTAPE)

CATHERINE HERRIDGE, FOX NEWS CHIEF INTELLIGENCE CORRESPONDENT: Susan Rice, the Obama administration's former national security advisor, was behind closed doors for three hours on Capitol Hill taking questions from members of the House Intelligence Committee who ignored reporters' questions. Lawmakers want more insight into Russian's election meddling as well as Rice's request to identify Trump campaign associates in intelligence reports during the 2016 campaign, and whether Rice's decisions were driven by politics.

In a separate development, committee Republicans issued subpoenas for FBI Director Christopher Wray and Attorney General Jeff Sessions after their departments failed to provide records first requested last month. Lawmakers are investigating the FBI's relationship with former British spy Christopher Steele who compiled the unverified salacious Trump dossier, and to what extent the Bureau relied on unverified information to open the Russian case and to obtain surveillance forms.

The Bureau has yet to say whether it paid Steele at the same time the former spy was on the payroll of Fusion GPS, an opposition research firm co-founded by Glenn Simpson, who has not been forthcoming on the issue. Despite outstanding questions, the ranking Democrat suggested subpoenas were heavy-handed.

REP. ADAM SCHIFF, (D) INTELLIGENCE COMMITTEE RANKING MEMBER: We don't subpoen aparties unless they turn down our request for information which the FBI and DOJ really hadn't done. So we opposed it. We thought it wasn't warranted.

HERRIDGE: Congressional sources confirm that Donald Trump Jr. will take questions from Senate Judiciary Committee staffers Thursday behind closed doors. A central line of questioning will be the June, 2016, Trump Tower meeting between the president's son, then campaign chairman Paul Manafort, Jared Kushner, a Russian lawyer, and others who promised but did not deliver compromising information about then candidate Hillary Clinton.

(END VIDEOTAPE)

HERRIDGE: The president's son had been invited to testify publicly in July but his legal team reached a deal to speak in private. A lawyer for Donald Trump Jr. said he is looking forward to a professional and productive meeting, Bret.

BAIER: Catherine, thank you.

President Trump strikes a deal with Democrats on Harvey relief, the debt, and government funding. We will get reaction from the panel when we come back.

(BEGIN VIDEO CLIP)

DONALD TRUMP, (R) PRESIDENT OF THE UNITED STATES: Prior to leaving the White House, I had a great bipartisan meeting with Democrat and Republican leaders in Congress, and I am committed to working with both parties to deliver for our wonderful, wonderful citizens. It's about time.

We had a great meeting with Chuck Schumer, Nancy Pelosi, and the whole Republican leadership group. And I will tell you what, we walked out of there, Mitch and Paul and everybody, Kevin. And we walked out and everybody was happy. Not too happy because you can never be too happy, but they were happy enough. And it was nice to see that happen for a change because that hasn't happened for a long time in this country, for a very long time.

(END VIDEO CLIP)

BAIER: President Trump in North Dakota describing the meeting in the Oval Office with the leaders, bipartisan leadership in Congress. And there you see through the window into the Oval Office, Chuck Schumer, the Democratic leader in the Senate, definitely forcefully talking to the president in some way, shape, or form. He got what he wanted, which was, Schumer, that is, a three-month extension of the debt ceiling, of the fight over funding, and over Harvey funding.

As you look at the calendar, December 15th is now D-Day before the end of the Congressional session before Congress. The Democratic leaders in Congress releasing a statement, "The president and Congressional leadership agreed to pass aid for Harvey, an extension of the debt limit, a continuing resolution, both to December 15th. All together both sides have every intention of avoiding default in December and look forward to working together on many issues before us."

Sounds really good right there, but there could be some bumps in the road. Senator Ben Sasse says the Pelosi-Schumer-Trump deal is bad, and he's not alone with conservatives weighing in up on the Hill.

Let's bring in our panel, Jason Riley, "Wall Street Journal" columnist and senior fellow at the Manhattan Institute, Mollie Hemingway, senior editor at "The Federalist," and Olivier Knox, Yahoo! News chief Washington correspondent. OK, Mollie, thoughts?

MOLLIE HEMINGWAY, "THE FEDERALIST": If Paul Ryan and Mitch McConnell couldn't deliver on any of the stuff that they kept promising Donald Trump, it was really only a matter of time before Donald Trump would decide that he would work with other people such as Chuck Schumer and Nancy Pelosi.

I think for President Trump, a lot of House Republicans have been useless at best, and they've been a drag at worst in terms of what he wants to accomplish with his agenda, and there's very little downside to pivoting away from them.

Having said that, Donald Trump was elected in part based on his ability supposedly to make great deals for the American people. And I think that he believes that this will avoid, this will lessen the likelihood of government shutdown, but what does he get in return for doing exactly what Nancy Pelosi and Chuck Schumer wanted? I don't think we have dealt with the debt crisis at all. We have very few leaders who care at all about the very precipitous situation that we're in other than the House Freedom Caucus. And so there was not a lot of leadership even if it's not the most surprising move for the president to make.

BAIER: We are told that the Republicans started at 18 months for the debt ceiling vote. They were whittled down 12, they got down to six. And the Democrats, Jason, held the line at three. And the president agreed to that.

Back in 2013, another debt ceiling negotiation, then businessman Donald Trump tweeted "The worst negotiators in history, otherwise known as Republicans, have just offered to suspend debt ceiling for four months. Pathetic." Obviously it's a different time when you are running the show in the Oval Office.

JASON RILEY, SENIOR FELLOW, MANHATTAN INSTITUTE: If the Democrats are probably thinking if this is what we can expect to get in return when we deal with Trump, they are going to be lined up outside of the Oval Office. I think there is a reason they are grinning from ear to ear. They not only got their clean debt ceiling increase, they got a spending increase to boot in the form of Harvey relief, which, again, is exactly what they want.

And I don't think it's just a matter of bruised egos in the form of Mitch McConnell or Paul Ryan, the House Speaker. The treasury secretary, Steve Mnuchin, also advised against cutting this deal. So Trump did not only go against

what congressional leaders are telling him. He's going against what some of his cabinet members were telling him. And they fear that this maintains the leverage that Democrats will have when this issue comes up again in just three months.

Republicans, the caucus is divided on issues like spending and the debt ceiling. So they need some buy in from Democrats to get legislation on these issues passed. And you've just given them a whole bunch more leverage come December, and we have to revisit this again. And you have also forced conservatives to vote twice now to have to increase the debt ceiling and go back home and explain that to the people who put them in office.

BAIER: A couple things. The White House privately says, listen, they are trying to clear the deck, trying to set up or tee up the tax reform negotiation in the hopes that they can, I guess, get some Democrats on board on that, Olivier. But there are concern up on the Hill, they're saying, pointing back to the election where Ted Cruz said just wait, he's going to cut deals with Chuck Schumer and Nancy Pelosi on the campaign trail.

OLIVIER KNOX, CHIEF WASHINGTON CORRESPONDENT, YAHOO! NEWS: I think Mollie really put her finger on it, which is the underlying dynamic here is that Paul Ryan wasn't going to be able to deliver an 18 month debt ceiling increase with just Republican votes. That means you've got to go to Democrats.

It does, as Jason points out, maintain Democratic leverage come December. Look at it another way, though. Suppose they try to go with just Republican votes and they fail. You have a government shutdown, which would be inevitably branded as a Republican government shutdown since they control Congress and the White House, possibly a default. It becomes a Republican default. Then what? Then you're back to this point, except the Democrats have more leverage.

When Ben Sasse says this is a bad deal, I understand why conservatives would be upset or debt hawks would be upset. But for the Republican leadership, this is a pretty significant dodged bullet.

BAIER: Here is the House Speaker before this deal was struck, and the rest of the day unfolding.

(BEGIN VIDEO CLIP)

REP. PAUL RYAN, (R) SPEAKER OF THE HOUSE OF REPRESENTATIVES: We have got all this devastation in Texas. We've got another unprecedented hurricane hitting, about to hit Florida, and they want to play politics with the debt ceiling?

CHARLES SCHUMER, (D-NY) SENATE MINORITY LEADER: The president listened to the arguments. We think we made a very reasonable and strong argument. And to his credit, he went with the better argument.

REP. MARK MEADOWS, (R) HOUSE FREEDOM CAUCUS CHAIRMAN: Typical Washington, D.C., kick the can down the road. Negotiating with Democrats doesn't normally produce outstanding results.

(END VIDEO CLIP)

BAIER: Mollie, to the last, Mark Meadows there, the statements says, the Democratic statement, "look forward to working together on many issues before us come December." Is there really a sense there is going to be some Kumbaya moment or that Democrats are really going to play the game up until pushing the limit of when they want to go home for Christmas?

HEMINGWAY: I think it shows, to Olivier's point, that there is room to negotiate in the center and that Donald Trump has figured this out. If he's not going to get anything from Republicans anyway, and he's not a particularly conservative ideologue anyway, why not try to get some of your agenda passed? He is not a deficit hawk. He is not so concerned about these things. And so he is just kind of fed up and he's done with what the Republicans are doing.

But it's not good news for conservatives who were trying to extract anything in response to an increase on the debt limit. It used to be that even Democrats would say that you had to make some kind of structural change or make massive spending cuts, and now even Mnuchin was saying he just wanted to clean debt hike which is something that Democrats didn't even try to do when they controlled the presidency and the legislature. So you have a lot of people who are not taking seriously these real problems, and it could pose a problem if we need to build up our military for some kind of upcoming military conflict. This is not just as fun games as people think it could be.

BAIER: Jason, Mollie makes a great point about not being an ideologue. It seems that Republicans, some of them, wanted to portray Trump as believing all of the items on the list. Maybe he doesn't.

ROBERTS: No, but that's no surprise. We've known that for a long time. He's been hinting at doing this for some time, that I'll deal with Democrats if the Republicans won't push my agenda the way that I see to be appropriate. So in that sense, this isn't much of a surprise.

But Republicans in Congress have a different relationship with voters than the president does. And I think that these members of Congress need to chalk up some accomplishments here. And they believe they were sent to Washington to cut spending, to address these fiscal problems that we have. And when they look at a president doing this, dealing with Democrats, and they look like they've been backed in a corner in having to increase spending, increase the debt ceiling without anything in return, they are thinking, our voters are going to say what good are we? We control both sides of Pennsylvania Avenue, with control the presidency, we control both houses of Congress, and if we can't get spending restraint done now, what good are we?

BAIER: Ben Sasse followed up, saying "My statement stands for itself. A Republican Congress wouldn't agree to this deal with a Democratic president." So we'll see where that goes.

Next up, what else is left on that congressional to-do list? How about DACA? How about tax reform?

(BEGIN VIDEO CLIP)

DONALD TRUMP, (R) PRESIDENT OF THE UNITED STATES: Congress, I really believe, wants to take care of this situation. I really believe it. Even very conservative members of Congress, I've seen it firsthand. If they don't, we are going to see what we are going to do, but I will tell you I really believe Congress wants to take care of it. We discussed that also today, and Chuck and Nancy would like to see something happen, and so do I. And I said if we can get something to happen, we are going to sign it, and we are going to make it, maybe we'll make a lot of happy people.

(END VIDEO CLIP)

BAIER: Chuck and Nancy. But Mitch and Paul, they are left out of that Air Force One statement to reporters. The president taking Air Force One to North Dakota, and he traveled there to deliver a speech on tax reform. There you see him arriving there in North Dakota. And he traveled there with a Democratic senator, Senator Heidi Heitkamp, who is up for reelection in 2018, considered vulnerable in a state that Donald Trump won overwhelmingly. She was on this trip. He mentioned her a couple of times in the speech.

We are back with the panel. Olivier, what about this tax reform push?

KNOX: We don't really have a plan yet, so you can make this argument for the principle of tax reform and the principle of tax cuts. You can make this argument much more easily before the actual blueprint comes out. It is interesting to me that if you look back at the summer he went after Dean Heller, the Republican senator from Nevada, he went after Jeff Flake, the Republican Senator from Arizona, he went after John McCain, the Republican senator from Arizona, he went after Mitch McConnell, the Senate majority leader of the Republicans. He went after Paul Ryan, Republican leader in the House. He lightly went after Claire McCaskill when he traveled to Missouri. This was also a really light touch against Democrats, and I'm hearing Republicans would prefer it if the Republican president were targeting Democrats a little more aggressively.

BAIER: Mollie?

HEMINGWAY: I do think that they are putting a little more concern at the White House about messaging on this tax plan. It's absolutely true that we don't have specifics that we need to further litigate it. But they are actually working on having a unified message. They understand that this needs to have some bipartisan appeal, and there is a bipartisan interest there.

BAIER: And they forecast that they're going to get into the weeds.

HEMINGWAY: They will. And in fact probably pretty soon we will get some more particulars. But this is a little bit different than the way we've seen a lot of rollouts. There seems to be more care about the messaging in part because it's so important. Even if we talk about the debt crisis, one way out of our debt problems is to have a robust economy, and we do need to have tax reform to help get the economy going. And so there is more interest here in making sure this is done right.

BAIER: Let's turn to DACA. And here's Senator Lindsey Graham and Congressman Steve King.

(BEGIN VIDEO CLIP)

SEN. LINDSEY GRAHAM, (R) SOUTH CAROLINA: You've got the speaker of the House, the majority leader in the Senate. We've got a bunch of Republicans like me who will be fair to these kids. There's a deal to be made here. So President Trump is a dealmaker. Here's what I think we should do. We should have a strong, secure border security plan, marry that up with the DREAM Act and make a down payment on immigration reform and move forward.

REP. STEVE KING, (R) IOWA: They are going to try to redefine amnesty. Lindsey Graham will try to redefine amnesty. He has always been an open borders individual. But granting amnesty is a pardon for immigration lawbreakers coupled with a reward of the objective of their crime.

(END VIDEO CLIP)

BAIER: Is there a contour of a deal here, because the president is clearly signaling that he wants to sign something?

RILEY: Right, and that's the point. He wants to sign something. He's not into the policy particulars. I think he will sign something.

BAIER: In fact he added in the tweet, "Congress has six months to legalize DACA, something the Obama administration was unable to do. If they can't, I we will revisit this issue."

RILEY: Right, right. He has also signaled, though, that when he does revisit it, the so-called Dreamers will not be a priority for deportation. We may return to something of what we just left in six months. We don't know yet.

But the point here, Bret, I think is that this is where in the negotiation should be taking place, in Congress. This is their job. And this is what Obama did an end run around and which is why we are in this predicament.

So these guys should go at it. This is where this should be fleshed out. I don't think they're going to get. I know what the Democrats are going to push for. I think they're going to push for a clean amnesty for the DACA recipients. And I think there's going to be some resistance, and I think there should because our immigration system's problems are bigger than just being the illegal population here. We do have border issues to deal with. We do have fixing the legal immigration system to deal with in terms of high skilled immigrants and so forth. So there is more to get at here, and I hope that they can get something done.

BAIER: When we come back, an unwelcome kitchen guest makes for a worldwide viral video.

BAIER: Finally tonight, most of us have experienced an unwanted guest in our homes one time or another. It can be difficult. One Irish family's attempt to catch a bat, yes, a bat, in their kitchen has gone viral. The video was posted yesterday morning and has already been viewed more than 1 million times on Facebook.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Catch him! Catch him! Will you stop looking in the door! Catch him, catch him! You're doing great. You're doing great! That's it. Nearly. He's still flying around the place. Quick. You're doing a great job. Stand up there. Oh! Did you get him? No, look there. He's making a mockery of you. You are no help behind the door!

(END VIDEO CLIP)

(LAUGHTER)

BAIER: "He's making a mockery of you."

Thanks for inviting us into your home tonight. That's it for this SPECIAL REPORT, fair, balanced, and unafraid. No online show tonight. We will be back next week. "The Story" hosted by my friend Martha starts right now from Houston.

Load-Date: September 6, 2017

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