

# [***Democrats Push Border Bill; Congress Grills College Presidents Over Campus Protests; Travel Rush; Hurricane Season Forecast; Nikki Haley Backs Donald Trump; Trump Campaigns in South Bronx; Nvidia Soars; Dow Plunges***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6C3C-X361-JCS1-64PF-00000-00&context=1516831)

Fox News YOUR WORLD WITH NEIL CAVUTO 4:00 PM EST

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**Guests:** Julia Manchester, Luke Lloyd, Rick Reichmuth, Don Peebles, Erin Gibbs, Tim Anderson

**Body**

NEIL CAVUTO, FOX NEWS ANCHOR: For now, Forget the Dow Jones. Don't take your eye off A.I., Nvidia shares soaring above 1,000 bucks today, as this maker of artificial intelligence chips sees its market value top $2.6 trillion.

Dreamed up in a Denny's just over 30 years ago as a maker of largely 3-D graphics for video games, Nvidia is now seen as the engine of growth for everything A.I., maybe even its poster child, reminiscent of Steve Jobs and Steve Wozniak working out of a California garage when they created a company called Apple or Jeff Bezos turning a plan to sell books online into what would become Amazon.com.

So when it comes to Nvidia, it looks like the newest it company, but for how long? If you got into this one, this stock back in 2000, with 1,000 dollar investment, it would be worth more than a million dollars today. And it doesn't appear done yet, not even close.

Welcome, everybody. I'm Neil Cavuto. And this is one for the record books. We have never seen a company like this climb so fast, worth so much and dominate so many in such a relatively short period of time, all of this juxtaposed against the Dow Jones industrials that couldn't get out of its own way, largely on concerns -- and I'm bracing you for this -- the economy is doing better and they don't like that. More on that later.

First to Susan Li with the magic of Nvidia and what he could portend -- Susan.

SUSAN LI, FOX NEWS CORRESPONDENT: Neil, this is wealth creation in America, a $250 billion day for the world's biggest chipmaker, extending a 100 percent rally so far this year, an incredible record quarter for Nvidia, tripling sales and then guiding for an even bigger quarter this springtime.

Also rallying the stock today, that long-awaited stock split, 10 for one starting on June the 7th. So that means that more average folks can afford to buy in and also higher chances for inclusion in the Dow Jones industrials, which, as you know, is bullish for the stock price.

So, really, it's all systems go right now in this new A.I. tech boom.

(BEGIN AUDIO CLIP)

JENSEN HUANG, CEO, NVIDIA: The next Industrial Revolution has begun. Companies and countries are partnering with Nvidia to shift the trillion- dollar installed base and build a new type of data center, A.I. factories, to produce a new commodity, artificial intelligence.

(END AUDIO CLIP)

LI: That's right. There are trillions, trillions, not billions, being spent in this new A.I. era and a transition under way from cloud to A.I.

Nvidia says that their three biggest customers are cloud providers Microsoft, Google and Amazon accounting for almost half of their data center revenue. Now, with today's rally, CEO, founder Jensen Huang gets even richer.

He's worth over $83 billion and he set to crack the 20 richest in the world. And Huang's story is really a testament to the great capitalist system that we live in. Remember, Huang worked as a busboy at Denny's.

He came up with the idea of Nvidia over a Grand Slam breakfast in a Denny's booth in the 1990s, the American dream, which is so similar to the humble beginnings of other trillion-dollar tech giants, like the garages where Steve Jobs and Steve Wozniak founded Apple, Sergey Brin and Larry Page started Google.

Neil, dreams can come true with a lot of hard work and maybe some bottomless coffee as well.

CAVUTO: But I'm thinking of it. I might have been sitting next to the guy when he was coming up with this having a Denny's Grand Slam myself, but he was designing this multitrillion-dollar company and I was saying extra sausage please.

LI: Yes. But you were in the garages when Apple was -- I think was just a thought of Steve's, with Steve Jobs.

CAVUTO: Yes, I'm sold. I was Thomas Edison when he came up with the lightbulb. But that -- that's neither nor there.

(LAUGHTER)

CAVUTO: Susan, great reporting. Thank you for that.

We have got Erin Gibbs with us, Tim Anderson with us, great market reads.

And, guys -- and maybe, Erin, I will begin with you. I want to show the Dow, because a lot of folks at home are probably thinking, all right, this A.I. play shooting for the stars, soaring, the Dow tumbling.

Erin, what happened?

ERIN GIBBS, MAIN STREET ASSET MANAGEMENT: so the big thing with Nvidia, we have to remember that it is a semiconductor, which we're not going to go out and buy those chips ourselves, right?

CAVUTO: Right. Right.

GIBBS: We're probably going to leave that to the Googles and the Microsofts.

The problem is, what's happening is that those companies, those customers that we just mentioned, they're having a real time making profits out of A.I. They're still figuring out the software. They're figuring out how to make things more profitable, how to make it more intelligent and usable for companies and end users like us.

So, while Nvidia is able to make these chips and sell them like crazy, like hotcakes, it's difficult for other companies to really see profits. And that's what we're seeing in the Dow is all those other companies actually pulling back and say, hey, we're not going to be profitable on A.I. just yet.

CAVUTO: Yes, and a lot of them like Intel and Disney and McDonald's and Boeing, even, not that A.I. was part of the story...

GIBBS: Right.

CAVUTO: ... there's this notion that things might not be easy in an inflationary environment that's easing a little bit.

GIBBS: Right.

(CROSSTALK)

GIBBS: ... too. Yes.

CAVUTO: Exactly.

So, Tim Anderson, let me ask you a little bit about the A.I. phenomenon here. A lot of people like to hearken back to the days of the Internet boom. Are we getting ahead of our skis? I always like to posit to people, having lived through that as well, that a lot of those companies weren't making money.

A lot of these companies, certainly, when it comes to Nvidia and Microsoft and Meta, all these other players, they are. And that's the distinction. So, those thinking, all right, we're due for another boom that turns into a bust, what do you think of that?

TIM ANDERSON, MANAGING DIRECTOR, TJM INVESTMENTS: Well there are some similarities to the Internet revolution that happened in the mid -- started in the mid-'90s.

We don't really know where the whole A.I. revolution is going. But one of the big differences with what's going on right now with Nvidia and what's going on with, let's say, Qualcomm, which was the hottest stock on the planet in the very late '90s...

CAVUTO: Right.

ANDERSON: ... a lot of Qualcomm's customers ended up going out of business and not being able to pay for the products that they had on order, whereas a lot of Nvidia's biggest customers, like the three that Susan mentioned in her lead-up piece and many others, are paying for this product up front before it's even produced or shipped to them.

CAVUTO: Interesting.

ANDERSON: Because those big -- those companies are awash in cash.

And when they call up Nvidia and say they want to buy 500 of their latest and greatest chips, and Nvidia says, OK, well send us a check for $20 million, they send the check.

(LAUGHTER)

CAVUTO: They want to be ahead of each other.

ANDERSON: So, that's a big difference.

CAVUTO: Yes, it's a good point.

ANDERSON: That's a big difference from companies that were like buying things and on 90 days as good as credit and then not being able to pay the bill.

CAVUTO: Erin, the backdrop of this, everyone pays attention to the Federal Reserve. We got some more data today that indicated some underlying strength, which would normally be good news, but I guess it's pushed back this notion we're going to see rates cut any time soon.

It depends on the day, I know. But where are you on this and what the Fed does?

GIBBS: I think that we are going to have some trouble with getting cuts this year. I think there -- I look at some of the commodity prices, energy prices, which I know the Fed likes to say they exclude, but energy affects everybody's prices.

And I think we're seeing a big run-up in natural gas that really affects your electric bill and your heating bills. And I think that...

CAVUTO: And you mentioned items that the American people see.

GIBBS: Right.

CAVUTO: And that's the tug-of-war between the numbers that show improvement and the American people who don't buy it.

GIBBS: And where natural gas has basically doubled in the past month. And I think people are going to see higher utility bills. That is going to affect the consumer.

So I think that expecting rate cuts from the inflation side, I don't think we're out of the water yet. But, again, as you said, it depends on the day.

CAVUTO: It depends on the day.

(LAUGHTER)

CAVUTO: It does.

So, Tim, let me get your sense of where we go with this. And I -- we talk about A.I., artificial intelligence. It's a phenomenon that picked up considerable seem really over just the last year. It's been around a while. I don't want to besmirch it, but that it's real, it's not a fake phenomenon. How do you look at it?

ANDERSON: I don't think it's a fake phenomenon. I think that we -- look, we just -- in 1994, '95, when you and I first started to receive our first e-mails, we didn't know. Nobody could have predicted where we were going to be in 1998.

And I think we have got a similar situation with A.I. right now. I don't think that it's something that's just going to blow off and go away. But on the other hand, we're nowhere near bubble territory. We're in the first or second...

CAVUTO: All right.

ANDERSON: We're in maybe the first inning.

CAVUTO: Oh, wow.

ANDERSON: Because we only started talking about this stuff a year ago. So...

CAVUTO: Well, you're right about that. First inning, so we got eight innings to go, at least, at least, right?

ANDERSON: Yes. Right.

CAVUTO: All right, Tim, great seeing you. Erin Gibbs, always a pleasure.

So we will see where this goes. Again, right now, when you look at what's happened in technology, this was limited today to a lot of these A.I. plays. So even the Nasdaq itself was down today, but some of these individual plays led by this A.I. powerhouse we call Nvidia, that was OK, but isolated there for now.

In the meantime, a big crowd getting ready to hear from Donald Trump in the South Bronx. You heard me right, the South Bronx.

Alexis McAdams is there -- Alexis.

ALEXIS MCADAMS, FOX NEWS CORRESPONDENT: Hey, Neil.

Yes, a lot of people probably weren't expecting, right, to hear that there was these big crowds for the former president in the deep blue Bronx, but Donald Trump says he's planning to do everything he can to try and turn the Bronx as red as he can.

I'm Alexis McAdams. I will have that story coming up next.

(COMMERCIAL BREAK)

CAVUTO: All right, is Donald Trump trying to pull a Ronald Reagan?

Ronald Reagan campaigned in New York City, specifically in the South Bronx, in 1980. A lot of people said he was just wasting his time there, got into some arguments there. It all worked out well for him there. He made a blue state go red and did it again four years later in 1984.

So there is a little bit of history to this, Donald Trump trying to repeat that. You saw him certainly in New Jersey just a couple of weeks ago, getting a crowd in South Jersey of better than 100,000. That's a pretty blue state, and right now in the South Bronx, where he hopes to do the same and send a message, a Ronald Reagan message, that, yes, I can win here too.

Alexis McAdams is there with more -- Alexis.

MCADAMS: Hi, Neil.

Well, that's the question voters out here have. Can Donald Trump turn the deep blue Bronx as bright red as he can? We are seeing large crowds of people show up here. This is a 138-acre park out here, Crotona Park, in the South Bronx.

I'm going to step out of the way so we can kind of give you a look at that growing crowd. The NYPD, when I just checked in with them, said there's definitely thousands of people. As for an exact crowd estimate, we don't know just yet.

It's something, though, you might not have been expecting to hear, the former president coming to the Bronx, but he's going to make a hard play for New York, he's told us, focusing on crime, inflation and immigration.

People are we talking to, Neil -- rather, people we are talking to are eager to hear what he has to say. That includes people who grew up in the South Bronx, like Jaden.

So thanks for talking to us. You got in here a little bit ago. The crowd continues to grow. What do you want to hear from the former president on that stage?

JADEN ROCHA, BRONX, NEW YORK, RESIDENT: I want to hear him repeat and reiterate his promises, closing the border, cracking down on crime and bringing economic success.

Joe Biden's policies have failed. It's failed us when -- in terms of the economy, in terms of his illegal immigration, in terms of the environment. I mean, these policies only hurt black people. It doesn't help them.

MCADAMS: Are you surprised to see this much support in the South Bronx? You grew up here. You know the people. You know your neighbors. I doubt everybody out here is a Trump fan, right?

ROCHA: Right. There are a lot of anti-Trump people in my neighborhood, but, still, they -- some of them believe and are coming to vote for Donald Trump because they believe in economic success and they believe in lowering crime.

MCADAMS: Both the crime, the economy and also immigration. What have you noticed with kind of the migrant crisis specifically in New York alone? How has it impacted your neighborhood?

ROCHA: Well, for one, illegal aliens are being transported to communities near me, to shelters near me. And that's upsetting. Why can't we help the homeless veterans? Instead -- the homeless American veterans.

Instead, we're helping illegals.

MCADAMS: Yes, OK. Thank you for talking to us.

So, that's just some of what we're hearing. But, Neil, as you said, it's been quite a long time, right, since a Republican presidential candidate campaigned hard here in the Bronx. Take a look at this video on your screen. This is from Ronald Reagan out here in the South Bronx. This is from the '80s, OK? The video is so old, it's in black and white.

He visited the deep blue Bronx. And that was when Reagan was running against Democratic President Jimmy Carter. Trump's certainly hoping history repeats itself here because that was the year that Reagan flipped the New York area blue, unseating Carter.

So, we do expect there are going to be, right, some counterprotests. We saw AOC coming out strong in social media and in the media saying Donald Trump is not welcome in the Bronx. And we are expecting to see at least hundreds of counterprotesters, according to NYPD, show up here around 6:00, when Trump takes the stage,Neil.

CAVUTO: Great stuff, Alexis. Thank you.

And we did have a color version of that film. Thank you. And that's what it was back then, Alexis, film.

One thing I do remember about Ronald Reagan's appearance in the South Bronx all those years ago, how people were ready for bear and to argue with him and demand what he would give them. Ronald Reagan would have none of it. Take a look.

(BEGIN VIDEO CLIP)

UNIDENTIFIED FEMALE: What are you trying to do for us, Mr. President?

RONALD REAGAN, FORMER PRESIDENT OF THE UNITED STATES: I'm trying to tell you!

UNIDENTIFIED FEMALE: What can you? What can you?

(CROSSTALK)

REAGAN: I am trying to tell you that I know now there is no program or promise that a president can make that the federal government can then come in and wave a wand and do this.

(CROSSTALK)

REAGAN: Yes. There is legislation in Congress, legislation for cooperation between government, between the private sector.

(CROSSTALK)

CAVUTO: All right, there was no cursing. There was a little bit of yelling. The Gipper really spoke his mind here.

But what was interesting about that, he didn't come bearing gifts or the promise of government aid or a government rescue package. And he would later echo that in his inaugural address because he did get elected president in a landslide, where he said, the government isn't the solution. It's the problem.

I paraphrase that.

But Don Peebles remembers all of that. Don is a Democrat. He is a former Obama fund-raiser, doesn't like what he's seeing right now.

Donald Trump, Don, is trying to repeat, I guess, what the Gipper did. Can he?

DON PEEBLES, FORMER OBAMA BACKER: Yes, I think it's possible. By the way, I'm wearing Ronald Reagan cufflinks, presidential cufflinks.

(CROSSTALK)

CAVUTO: All right, very nice.

PEEBLES: So, it's good timing. He was a great president. Ronald Reagan did an amazing job.

But what happens is, New York loses its tolerance. New York residents lose their tolerance after a while of failed policies. If you look at what happened in New York state just recently, Andrew Cuomo, four years before, won general election by 10 points against a Republican opponent.

Kathy Hochul won was less than a three-point margin, 2.85 percent, against Lee Zeldin.

CAVUTO: That's right.

PEEBLES: So what that's telling you is, New York state is shifting and New York state is in play. And the reason New York state is in play is New York City.

People are getting tired of the direction of where things are going and they're frustrated. So I think that Trump's making a smart decision. This is his birth state. And it's technically still his home state because this is what made him in terms of a businessperson.

So I think he's making the right decision. Ronald Reagan came here and campaigned because he felt he had a better solution for America's cities. And then, ultimately, New York later on, 10 years later, elected a Republican mayor.

And if you look at who gets credit for turning New York City around, it's Rudy Giuliani and Mike Bloomberg, both Republicans.

CAVUTO: No, I just -- I wonder, I mean, because I wanted your thoughts on Joe Biden's outreach to the African-American community and the minority community in general.

He was at Morehouse College, but he had a scary, very kind of negative address to that African-American crowd. What did you make of it?

PEEBLES: Well, I think when he spoke at the Morehouse College commencement address, the historically black college for men in Atlanta, I was shocked, because it didn't have an American story.

These young men had worked four years to then go out into the world and be prepared to compete. And they started with a sense of optimism. And I thought about it and I contrasted it to Obama's speech in 2013, where he encouraged personal responsibility, that there was no better time in America to -- for them to go out and compete, and that don't expect it to be easy, because it was more difficult for the people who came before them.

They figured it out, and so should they. But America...

(CROSSTALK)

CAVUTO: But President Biden more or less told that crowd, if I heard it correctly, Don, yes, you are kind of wasting your time. You're going to 10 times more difficulty succeeding than you plan on.

If I were in the crowd, I would just say, gee, I guess I might as well quit now.

PEEBLES: Yes, well, look, that's why his numbers are so down. America is an optimistic nation. It's the greatest nation in the world.

And it's the land of opportunity and people from all over the world come here for that opportunity. And those of us who are already here have a great benefit. But our president has to be America's number one cheerleader, has to be America's number one proponent and talking about the greatness.

But President Biden has lost any sense of vision for this country and he doesn't provide any sense of opportunity or optimism. He has articulated or presented very few policies that benefit the African-American community. So what does he do? He resorts to scare tactics.

And the reality is, is that you're not hearing African-Americans being killed by police on a regular basis. You're not hearing African-Americans being harassed on a regular basis. And there are tremendous opportunities for African-Americans in this country. I'm an example of that.

And I think that he does our country a disservice and blacks a disservice. And that's why they're turning on him, because I think Trump's numbers are going to end up being 30 percent in some of these states like Michigan in terms of black voters. And that's the death knell for Biden.

CAVUTO: You get numbers like that in New York, you have a good shot at winning New York.

PEEBLES: Yes.

CAVUTO: You think he can?

PEEBLES: I think he can. I think he's going to be very competitive and probably -- and I think more competitive than Lee Zeldin was.

CAVUTO: OK.

PEEBLES: And so that means it's going to be a really tight race.

CAVUTO: What about you? You had entertained a run for mayor, and then didn't.

Looking at how things are now -- and you're an equal opportunity critic. You think that Eric Adams, the mayor, has screwed things a lot and you want to try to fix it. But does that mean you would entertain running?

PEEBLES: Well, first of all, I think that Eric Adams wants to do a good job. And I think that he's been -- and if you give -- if you look at things, I think that he has been handicapped by the migrant crisis.

A part of it, he brought on himself, but the federal government not willing to step in.

CAVUTO: Well, a lot of that was going on prior.

PEEBLES: Yes. Yes.

But that has created a significant issue for this city financially and otherwise.

CAVUTO: Has he dropped the ball? Has he failed?

PEEBLES: I don't -- I think he is got an incomplete grade right now. I think that I'm...

CAVUTO: Well, do you want to complete the grade? Do you want to run?

PEEBLES: You know, I would consider it. I think it's one of the greatest jobs in the world to be mayor of New York City.

CAVUTO: It's next year. The election is next year.

PEEBLES: Yes, I mean, but if the mayor decides to run for reelection, that's one thing. But I'm not sure I'm sure.

(CROSSTALK)

CAVUTO: Well, I'm sure he wants to run. Would you challenge him?

PEEBLES: I wouldn't challenge, not -- at this moment, no.

CAVUTO: OK.

PEEBLES: I think that I'd like to give him an opportunity to be successful. I think he's working real hard to try to do it. And he...

CAVUTO: But you stepped aside and gave him an opportunity a few years ago.

PEEBLES: I did.

CAVUTO: Do you want to do that again, knowing what happened?

PEEBLES: Yes, but I wanted to run against -- but I wanted to run against de Blasio.

CAVUTO: I understand.

PEEBLES: That's what prompted me was to run against de Blasio, because I thought de Blasio had failed and he created a divisive environment in New York.

CAVUTO: Well, it looks like this guy's failed.

PEEBLES: He's not a divisive mayor. And he has been given a very bad deck.

De Blasio left him a very troubled, declining city.

CAVUTO: Still in trouble today. Still in trouble today.

PEEBLES: Yes, it took eight years to get us here, though.

CAVUTO: OK.

PEEBLES: And we have got to give him a little more chance.

CAVUTO: So, for now, you're a maybe?

(LAUGHTER)

PEEBLES: I'm a -- right now, I am a no.

CAVUTO: Oh. All right. All right. All right. We don't want to put words in your mouth.

PEEBLES: And we have to see where the world is, yes.

CAVUTO: Don, a pleasure to see you, because I respect the fact that you call it as you see it, no matter whether you're talking about Democrats or Republicans. They call that fair and balanced as a politician.

PEEBLES: Yes.

CAVUTO: It happens sometimes.

Don, always good seeing you here.

In the meantime, we're following the nation's weather, of course, not just the political weather. You thought it's been rough with the tornado season. Get ready for what could be a very active hurricane season.

Rick Reichmuth on that.

Hey, Rick.

RICK REICHMUTH, FOX NEWS CHIEF METEOROLOGIST: Yes, not could be.

I don't see any way that it won't be a very active season. It starts on June 1. Neil, that's eight days away. New forecast coming out from NOAA today. I will give you all those details right after this. Stay with us.

(COMMERCIAL BREAK)

CAVUTO: By now, you have heard that Nikki Haley says she will be voting for one Donald J. Trump. Now questions as to whether her supporters will be voting for one Donald J. Trump -- after this.

(COMMERCIAL BREAK)

CAVUTO: All right, pick up any Florida newspaper, for example, and they are page one stories on how active a hurricane season they're looking at. There are a lot of reasons for that.

Rick Reichmuth on why they're so worried and talking so much about it -- Rick.

REICHMUTH: Hey, Neil, have you ever tried to go to the grocery store on like the Wednesday before Thanksgiving, and it's packed?

CAVUTO: Absolutely.

REICHMUTH: And it's awful and you can't get what you need and you're in lines.

Think about that for hurricane season now. Do that maybe this Memorial Day weekend. Go and get your hurricane kit in place, so you're not competing with people once the storm is coming your way, because it is very likely that we are going to see some storms on the Eastern Seaboard or somewhere along the Gulf this year, and you better be protected.

We have had many years recently where we have had a lot of storms making landfall, and this certainly will probably be one of the most active seasons that we have ever had. It starts on June 1. So we're eight days away. And all of our forecasts come out right here. These are the averages, by the way, 14 named storms, seven hurricanes, three major hurricanes.

Look at what these early season forecasts already are, four to seven majors, eight to 13 hurricanes, up to 25 named storms. And all of this is happening because of two reasons, number one, this right here, this blue color you see. This is the Pacific. And I know our storms form in the Atlantic.

But in the Pacific, when these waters get cooler than normal, that's called a La Nina. And the impact of that is it decreases the upper level winds across areas of the Atlantic. So the winds that are up there, they kind of break storms apart as they try to go vertical. They break them apart.

Without that wind, we are looking at storms that grow faster and stronger. And here's the other big problem. On an average season, this right here is our peak water temperature in the Atlantic. Look where we are right now in the Atlantic. We are looking at water temperatures that are like peak water temperatures that we see all in the summer.

And our main development region right here, we're talking about temperatures that are five to seven degrees above where we would typically see them. By the way, the Caribbean has warmed dramatically over the last couple of weeks and the Gulf, all of this water much warmer than average, and that means we're going to see more storms potentially form and maybe get stronger than they might normally get as well.

One disturbance we're already watching, not looking at this having any impact of land, it'll be out here across parts of the Atlantic, but we could be seeing some development from that.

All right, going to change gears. It has been so active with tornadoes. We have had all these tornadoes just the last few days, places way up towards Michigan, down towards Texas. We have more severe weather today, one severe thunderstorm watch in effect for parts of Tennessee and Kentucky, all of these storms you see right here.

This really isn't the main event. Later on today, we're going to be watching another big threat here across parts of Nebraska and Iowa, spots that have been pummeled with tornadoes over the last number of days, tomorrow, another threat.

And, Neil, here we are going into Memorial Day weekend. It just is a repeat of this, same thing. Saturday, Kansas, Oklahoma, going towards Sunday, parts of Mid Mississippi River Valley. Severe weather threat continues on this holiday season as well. You can't rest and relax. You got to pay attention to the weather -- Neil.

CAVUTO: Well, that's what you're here for. We appreciate that warning.

REICHMUTH: Yes.

CAVUTO: It's kind of a bummer of a warning, but you did warn us once again.

(LAUGHTER)

REICHMUTH: That's my job.

CAVUTO: Rick, great job. Thank you very much. And you do it well, my friend.

Rick Reichmuth on all of that.

All right, well, if you think about it, we got the holiday weekend closing in, and we're told 44 million of us ready to break out. In fact, a lot of us are right now -- after this

(COMMERCIAL BREAK)

CAVUTO: All right, we're all ready to take off and have some fun. A lot of us are booking cruises, and, sometimes, those cruises don't come cheap, but we have discovered, when it comes to just going on vacation, some of the most expensive ones go first.

And when it comes to all of these booked cabins that you like and the penthouse cabins that you like, they're already accounted for and already, the sailing season, as it's known, booked right through next season.

Ashley Webster should know. He's at the Port of Miami -- Ashley.

ASHLEY WEBSTER, FOX BUSINESS CORRESPONDENT: I feel at home, Neil. This is what I was made for, I believe.

Good afternoon to you. We're on the Norwegian Sky. It's a smaller cruise ship, handles about 2,200 passengers. And they have already started arriving, as you can see. These lucky people, later on today, will be setting sail for Key West, Cozumel, Mexico, and the Caribbean.

But you're right. Demand for cruise ships right now is higher than every, this year, close to 35 million passengers expected to take a cruise. That's up 17 percent since 2019, which was the year before COVID. So, the question is, what's the appeal?

Well, you have a lot of options. You can tailor the cruise to your exact need. And a lot of these people agree it's great value for money. Take a listen to the president of Norwegian Cruise Lines, who we spoke to earlier today.

(BEGIN VIDEO CLIP)

DAVID HERRERA, PRESIDENT, NORWEGIAN CRUISE LINE: Cruising is booming because it's such a great value. It's such a great opportunity. It appeals to everybody. What's great about cruising is, everybody can do what they want to do on their own, and then eventually come back together and just share their experiences. It's a fantastic opportunity.

(END VIDEO CLIP)

WEBSTER: Well, there you have it.

Another interesting trend, Neil, millennials and Gen Z, younger passengers, are the fastest growing segments in the cruise line industry. It's not just the mom and dad retiring and taking a cruise around the world. It's a lot younger people who like smaller ships and expedition-like experiences.

And the other fast growing area are themed cruises. And I'm amazed at what they offer. You can have a Kiss cruise, four days to the Caribbean dancing to Kiss songs, WWE, well, that's a given, and even a Hallmark Christmas cruise.

And I will leave you with one thought. Next February, there's a clothing optional cruise going to the Caribbean. And all I can say to that is bring plenty of sunscreen. And I will leave it there, Neil.

CAVUTO: Glad you left it there. This is a family show, Ashley.

It's so odd because Ashley's on a ship that he was supposed to leave an hour ago. So something tells me he's in the Keys as we speak.

All right, we have got Luke Lloyd here, he too quite a cruise aficionado. He knows, of course, how expensive they are...

LUKE LLOYD, STRATEGIC WEALTH PARTNERS: Yes.

CAVUTO: ... and how expensive taking vacations are.

LLOYD: I gain too much weight on cruises too. I got to stay away from the food buffets.

(CROSSTALK)

CAVUTO: I park at the buffet.

(LAUGHTER)

CAVUTO: But, obviously, some people are shelling out big bucks or stuff.

LLOYD: Yes.

CAVUTO: But that's not everybody. So where's all this money coming on? Where's all this demand coming from?

LLOYD: It's a great question, Neil.

It's coming from the big man. It's coming from Big Brother, right, $1 trillion every 100 days being spent by the government, right? So when all that money is printed and given out, most people think it trickles through every aspect of the economy. That's not the case.

When you spend that much money that quickly, it goes to the top. And it doesn't just go to the top when it comes to the rich from a personal basis. It goes to the top when it comes to corporations, which is why you're seeing a big divide between small business and large corporations right now, stock market all-time highs.

CAVUTO: So, big cruise companies making money hand over fist. Some of the airlines are doing quite well, thank you.

LLOYD: That's right.

CAVUTO: Smaller players, now lately Target, in some trouble. They're trying to cut prices of 5,000 items.

But -- so tell me why that breakdown.

LLOYD: See -- see, in my eyes, Target is a very big player, right?

I'm talking about those small business owners, those mom-and-pop shops, between maybe two employees all the way up to maybe 100 employees, right? That used to be 50 percent of the economy before COVID. That is now down to 45 percent, right?

And when it comes to margins in the stock market, stock earnings are at 10 percent roughly for this year. That's right in line with historical. It's not overly high. It's not overly low. But those small business owners are getting acquired by the large corporations because they're struggling to survive.

The problem is, you have inflationary issues, you have interest rates that rise, and then down the road, you're going to have taxes. Those are three whammies, right, for middle-class America and small business owners. That impacts income. Inflation, interest, and taxes impacts income. It doesn't necessarily impact assets.

So if you have $100 million in assets, you made 10 percent in the stock market this year, you just made $10 million.

CAVUTO: You're doing OK, but what -- how do you explain then, Luke, that the people who go to any establishment today and are looking for a break?

Now, Wendy's and McDonald's are competing over value meals. One has a $3 breakfast one.

LLOYD: Yes.

CAVUTO: The other is hoping to have a $5 all-day one. I don't know where that goes. We mentioned Target.

But more of these companies are trying to recognize the obvious, no matter how big or small they are. All right, our customers are telling us they need a break. Is that having any impact at all?

LLOYD: Well, the reason they're doing that is because they need to get foot traffic in the door. You're seeing some slowdowns.

I mean, the Ozempic effect is kind of happening, if we want to talk about the fast food. I know I maybe need to take a little bit of that. I'm putting on a little bit of weight myself.

(CROSSTALK)

LLOYD: But, anyway, when it comes to fast food, Wendy's, the Targets of the world, they're offering these discounts because they need the foot traffic to come in the door.

They're hoping they lose -- actually, the franchisees of McDonald's are upset with this $5, I think, four for $4 or five for $5, because they lose money on it.

CAVUTO: But there does come a point where people say, no mas. No matter what, I'm not going to pay this.

LLOYD: Right.

CAVUTO: Are we at that point? Because that could be the point at which these prices come down.

LLOYD: I think we are at that point and we have been at that point for a while. The access to credit is still there.

Middle-class America is still borrowing money. There's another $4 trillion of credit available, revolving credit cards. That's going to be used. And until that gets lowered, middle-class America will continue to borrow on debt.

And it's -- listen, we're past the point of no return when it comes to possible pain that we need to go through in the economy. Interest rates, again, that's hurting middle-class America. Taxes down the road will hurt middle-class America.

CAVUTO: So cutting prices on some breakfast meals isn't going to cut it? So they're...

LLOYD: I don't think so.

CAVUTO: Right.

LLOYD: I mean, listen, the four for $4 Wendy's, not too bad, though.

(LAUGHTER)

LLOYD: I do end up going there every once in a while, especially when I only have, like, a little bit of time.

CAVUTO: There we go. We're in sync, Luke.

Luke Lloyd on all of that.

We're going to continue to follow this. We're also following some developments where those clashes on campus are now popping up, well, on Capitol Hill. Take a look.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: And I believe we should...

(CROSSTALK)

REP. ELISE STEFANIK (R-NY): Isn't it also true that Northwestern earned an F for your failure to respond and combat antisemitism, and they called for your resignation? Is that correct?

MICHAEL SCHILL, PRESIDENT, NORTHWESTERN UNIVERSITY: I have great respect for the ADL. I am sad that they gave Northwestern an F.

STEFANIK: But it's true you got an F.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

REP. KATHY MANNING (D-NC): What has been described to me has been nothing short of the normalization of antisemitism on your campuses.

(SHOUTING)

REP. ILHAN OMAR (D-MN): How did you fail these students at many critical points where you could have intervened?

GENE BLOCK, UCLA CHANCELLOR: Thank you for the question, but I really -- I'm sorry, but I reject the premise.

These students...

(CROSSTALK)

OMAR: How do you reject the premise? Are these pictures lying? Are these pictures -- are any of these people in jail?

PROTESTER: Israel is a terror state.

STEFANIK: A Jewish Northwestern student was assaulted.

SCHILL: So I want to question the premise of your question.

STEFANIK: No, no, no, no, I'm asking the questions. You're answering.

REP. JIM BANKS (R-IN): Is it OK for faculty members? Do they -- is it OK? Do they get away with that at Northwestern University?

SCHILL: I am not going to comment on ongoing investigations and faculty personnel matters.

BANKS: Unbelievable.

(END VIDEO CLIP)

CAVUTO: All right, let's say the heat has not gone any bit down.

Mark Meredith saw for himself on Capitol Hill.

Mark, this looked like a bit of a tension convention, to put it mildly.

MARK MEREDITH, FOX NEWS CORRESPONDENT: Neil, you're right.

There were a lot of outraged lawmakers at the hearing today. And, today, we also heard House Republicans accuse the leaders of three different universities, UCLA, Rutgers and Northwestern, of essentially turning over their campus to anti-Israel protesters, even as some were reportedly chanting "Death to Jews."

This hearing today was in response to the multiple campus protests we have seen all over the country, including one earlier this month at UCLA, that one getting so bad that police were called in.

And just this week, UCLA even reassigned its police chief, an indication that officials there did not think the situation was handled well. Lawmakers also spending much of today demanding colleges do more to ensure that future protests could be protected and prevented, as well as make sure that student safety do -- not become another issue again this fall.

(BEGIN VIDEO CLIP)

REP. VIRGINIA FOXX (R-NC): Taxpayer dollars have no business funding universities without principles that align with the principles of this country.

MANNING: Why hasn't Northwestern taken serious steps to address the normalization of antisemitism and anti-Zionist teachings on your campus long before October 7?

(END VIDEO CLIP)

MEREDITH: Lawmakers also appeared flabbergasted at the leaders at Rutgers and Northwestern who made deals with those protesting to basically break up their encampments.

Today, Northwestern's president said he wanted to defend his decision to negotiate.

(BEGIN VIDEO CLIP)

SCHILL: We were fortunate to have students who were willing to negotiate and were willing to give up their demand. Then we said let's think about what will make the university stronger, what will be important for your community, and then we came to this agreement over time, hearing what their needs are.

(END VIDEO CLIP)

MEREDITH: While some of the lawmakers urged these schools to do a lot more between now and the fall semester, some on the left side of the aisle also suggested more could be done to protect those that were there to support Palestine.

They felt that those students also needed to be protected as well -- Neil.

CAVUTO: Mark Meredith, thank you very much.

Mark on Capitol Hill.

Jacqui Heinrich, meanwhile, at the White House on an effort that failed, expected to fail today, another shot at that border security bill that Republicans said was more political stunt.

Jacqui, what happened?

JACQUI HEINRICH, FOX NEWS CORRESPONDENT: Well, Neil, the president's rare press conference delivered very little news.

It -- the news really came in a statement he issued after the press conference slamming the GOP for tanking a border bill that saved -- failed once before and then voted on again today without any changes at all, failed to garner the support even of all of the Democrats.

Biden wrote in a statement: "Congressional Democrats (sic) do not care about securing the border or fixing America's broken immigration system."

(BEGIN VIDEO CLIP)

HEINRICH: How can this be seen as anything other than a cynical attempt to try to show Americans that Democrats care about the border?

KARINE JEAN-PIERRE, WHITE HOUSE PRESS SECRETARY: I don't understand how that would be cynical, when it sounds like Senator Schumer is trying to do his job and move forward a piece of legislation that had bipartisan support.

(END VIDEO CLIP)

HEINRICH: The president's statement went on to say that doing nothing isn't an option, but when I asked that yesterday why he hasn't used his executive powers to that end, Karine Jean-Pierre said that he shouldn't have to and punted to Congress.

No indication that's changing, at least today. Biden did announce today that Kenya will become a major non-NATO ally. It's a not-so-subtle effort to counter China's influence on the mineral-rich, politically unstable African continent. And it comes against the backdrop of U.S. troops withdrawing from Niger and souring relations between the U.S. and Ethiopia and South Africa.

Kenya is a major U.S. partner in combating terrorism. It's a leading tech market. It draws 90 percent of its power from renewable sources. So it's primed for private U.S. investment and also geostrategic goals, like diversifying supply chains away from China, Neil.

CAVUTO: Jacqui Heinrich, thank you very much.

All right, we know the president, the former president, Donald Trump, is trying to win over a crowd in the South Bronx. Can he win over Nikki Haley's supporters while he's at it?

After this.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

FMR. GOV. NIKKI HALEY (R-SC): Biden has been a catastrophe. So I will be voting for Trump.

Having said that, I stand by what I said in my suspension speech. Trump would be smart to reach out to the millions of people who voted for me and continue to support me.

(END VIDEO CLIP)

CAVUTO: All right, we're following this very closely, whether Donald Trump says anything in reaction to that. Nikki Haley surprising some by indicating the man she really ripped apart while she was running against him of the Republican nomination that he is her choice for president.

Julia Manchester joins us right now, The Hill national ***politics*** reporter, as we focus on South Bronx, where the former president is getting ready to address a crowd there, as he did in the bluest of blue states, New Jersey, a couple of weeks ago.

He's making a pattern of this Julia, and it's showing that he's trying to reach out to a crowd that is not typically Republican. Should that include reaching out to those Nikki Haley supporters, who typically were not enthusiastic about Donald Trump?

JULIA MANCHESTER, NATIONAL POLITICAL REPORTER, THE HILL: Yes, look, I mean, Neil on your point about the blue states with New Jersey and New York, it's interesting because it's not just those two states, but it's also Minnesota.

CAVUTO: Right.

MANCHESTER: He made a fund-raising stop there and was able to try to appeal to some voters.

They are not saying that Donald Trump is going to win any of these states, but it does show that he's definitely trying to make Democrats nervous and try to peel some of those voters away. On the question of Nikki Haley, look, I mean, Donald Trump has been asked about this before and he seems pretty confident that a lot of her supporters are going to come home and vote for him and, essentially, they think the same thing she's thinking.

She'd rather vote for Donald Trump than a Joe Biden if she had to choose. And I think it was interesting how carefully she picked her words yesterday. Talking to some of her supporters today, they essentially said this was not necessarily a full-out endorsement. She was not telling her voters or her supporters to go and vote for Donald Trump, but she was saying, if she had to pick between Trump and Biden, she's going to pick the Republican nominee.

CAVUTO: Now, she never said that before. So that drew eyebrow-raising.

But I do want to get your thought on it. You might have hinted that it was a wasted effort of Donald Trump to go to these bluest of blue states and regions. But it worked out for Ronald Reagan when he did the same, particularly in New York. That surprised a lot of folks. A lot of folks thought he could capture the state he had governed for two terms, California.

New York was another matter. So it has happened. Can it happen again?

MANCHESTER: Theoretically, it could happen again. And it's interesting that you bring up New York, because you're starting to see or you saw in 2022 Republicans make some inroads in New York.

CAVUTO: Right.

MANCHESTER: I mean, in the gubernatorial race, for example, yes, Governor Kathy Hochul did win, but we saw Republicans doing better than before. And a lot of that had to do with the issue of crime in 2022.

So to add on top of that now we have in New York City this issue of migrants being taken there, and New York City essentially having to deal with this.

CAVUTO: Right.

MANCHESTER: Adams very much on the defense.

Look, there is opportunity there. I don't think New York is going to go to Trump.

CAVUTO: OK.

MANCHESTER: But I think Republicans could continue to make a showing there.

CAVUTO: Well, history could repeat itself. We will watch it closely. Julia Manchester, thank you.

That will do it for us.

Let's go right to "The Five."

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