

# [***Highly Anticipated State Of The Union Hours Away; TikTok Urges Users To Stop Bill That Could Ban App; House Passes Laken Riley Act After G.A. Murder; Sen. John Thune (R-SD), Is Being Interviewed About His Perspective On The Administration's Actions Regarding Immigration Policies; Border Crisis Rages As Biden Preps For Big Address; Trump: Biden And Those Around Him Hurting Economy; Biden Adviser On Tonight's High-Stakes Address; Biden Adviser On Tonight's High-Stakes Address; Biden To Tout Economy As Voters Struggle With Costs; NY AG James Booed At FDNY Promotion Ceremony; Some Dem-Run Cities Cracking Down On Crime***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BH3-35N1-F072-X1J6-00000-00&context=1516831)

Fox News THE STORY WITH MARTHA MACCALLUM 3:00 PM EST

March 7, 2024 Thursday

Copyright 2024 Fox News Network LLC All Rights Reserved

**Section:** NEWS; Domestic

**Length:** 8401 words

**Byline:** Martha MacCallum, Peter Doocy, Bret Baier, Mark Meredith, Aishah Hasnie, Neil Cavuto, John Roberts, Shannon Bream

**Guests:** John Thune, Gene Sperling

**Body**

SANDRA SMITH, FOX NEWS CHANNEL HOST: We will be watching every moment. Thanks for joining us everybody. Glad to have you with us. I'm Sandra Smith.

JOHN ROBERTS, FOX NEWS CHANNEL HOST: Yep, Sandra will see you tomorrow. I'm off. My wife's got to have knee surgeries.

SMITH: Oh, best to her.

ROBERTS: I'll be the good husband and take her. Yes, just a little meniscus tear. I'm John Roberts. THE STORY with Martha starts right now.

MARTHA MACCALLUM, FOX NEWS CHANNEL HOST: Thank you, John and Sandra. We'll see John in a few minutes. Good afternoon, everybody. I'm Martha MacCallum and this is THE STORY. Today, of course, we are live in our nation's capital ahead of tonight's consequential State of the Union address. "You are going to see a very energized president," says his chief of staff.

Still, some Democrats said to be a bit nervous about the stakes for this evening. The Washington Post put it this way, the goal is not to give off "old man vibes." It could be the last time that he is in front of such a big TV audience until at least the convention, and voters will no doubt be weighing whether or not he's held up to this promise from the beginning of his presidency. Watch this.

(BEGIN VIDEO CLIP)

JOE BIDEN, PRESIDENT OF THE UNITED STATES: I'm a man of my word. America's back. I speak today as President of the United States at the very start of my administration, and I'm sending a clear message to the world -- America is back.

(END VIDEO CLIP)

MACCALLUM: So, a lot has happened since then. The chaotic withdrawal from Afghanistan attacks on our troops in the Middle East, the explosion of the border crisis, which is a huge issue to name a few. And we kicked things off with Bret Baier in D.C. But first to White House correspondent, Peter Doocy, over there at the White House. Hi, Peter.

PETER DOOCY, FOX NEWS CHANNEL WHITE HOUSE CORRESPONDENT: Martha, President Biden tonight is going to use the bully pulpit to blame Republicans for big problems including at the border.

(BEGIN VIDEO CLIP)

TOM PEREZ, SENIOR ADVISER AND ASSISTANT TO BIDEN: The bipartisan bills on the border security, you know, that was negotiated over months and we know why that bill did not succeed, thus far. And that's because Donald Trump told Republicans you can't give Joe Biden a victory That's not who we are. We have to come together.

DOOCY: A White House official is telling us President Biden will stress to the country whose side he's on, congressional Republicans are on track to do the same. And with an expected focus on jobs created and inflation reduced, it sounds like President Biden is going to spend a lot of time looking back at his first three years and only a little time looking ahead to the next four plus.

We do expect some serious talk about the Israel-Hamas war with an announcement that the U.S. military is going to build a port in Gaza to receive shipments of humanitarian aid. And we know a little bit more about what President Biden did at Camp David while prepping for this speech. He recorded a video with a bunch of people who have played presidents on TV.

UNIDENTIFIED FEMALE: I do feel I should just point out one thing it always bears remembering there's no crying in ***politics***

BIDEN: Well, what I hope is my ***politics*** doesn't make anybody else cry.

(END VIDEO CLIP)

DOOCY: So, if nobody cries, State of the Union, a success, Martha.

MACCALLUM: Peter, thank you very much, we'll try not to cry. Bret Baier is with me, Fox News Chief Political Anchor and Executive Editor and Anchor of "SPECIAL REPORT" and Co-Anchor together tonight for the coverage of the State of the Union as we have done many times together and we are back to do that again this evening. So, obviously the bar is high when you look at his numbers, 38 percent approval rating, 70-something percent think he's too old for the job, Bret.

BRET BAIER, FOX NEWS CHANNEL CHIEF POLITICAL ANCHOR: Yes, he could use one of those actors' advice, you know, Independence Day, that was a good speech, that was really something. Michael Douglas had a couple good ones. I think it is about vigor.

It is about his presentation. It's less about the laundry list of things. I think he's going to spend a lot of time, believe it or not, on immigration because they think they have a juicy cudgel here that they're going to hit Republicans on, on this Senate bill.

They leave out the executive order part, and we're not getting any indications that he's going to do that tonight. And if he doesn't, you know, that's a glaring example of you're talking about the ***politics*** of this bill but you have the power to do something now.

MACCALLUM: It is extraordinary. I mean, he has levers at his control and it has been discussed time and time again in terms of Remain in Mexico, and Catch and Release that he could do, and it's just a huge question mark. I don't know how people are going to walk away from this tonight if they don't get some sort of answer as to what his thinking is on all of this.

BAIER: Yes, I think we're probably going to walk away without that answer, if I had to make a bet. It's going to be about ***politics***. It's going to be about that bill. I think it's, you know, I think it'll be interesting to listen to the foreign policy section, how he talks about Israel and Gaza, how that goes over in that crowd of his progressive side of his party. And just the dynamics of the night, you know, whether it's a rambunctious crew, whether Marjorie Taylor Greene is into the decorum or not. She said decorum's already deteriorated. I think it will be fascinating.

MACCALLUM: Yes, you know, I know the new speaker, it's his first time in the spot. We had a chance to do some off-the-record discussion this morning with him, but obviously this is a big night for him. And he has sent the message in an outward way that he wants decorum in there. He doesn't want outbursts at least on his side.

BAIER: Yes, and I think some of the stuff he was talking about is fascinating behind the scenes and the relationship between President Biden and him. It's early in that relationship but it's key if they're ever going to get anything done. His job tonight is not to make faces behind the president.

MACCALLUM: He's practicing.

BAIER: And not rip up the speech as well.

MACCALLUM: Practicing the deadpan. Exactly. Bret, thank you very much.

BAIER: You bet.

MACCALLUM: Look forward to seeing you later tonight. Big night ahead.

So, later this hour, my exclusive interview with senior advisor to President Biden, Gene Sperling, who joins me to talk about the economy. Obviously, a huge issue and a lot of numbers to look at in terms of the performance so far. And the number two Senate Republican, John Thune, as his party puts immigration front and center. He has now endorsed former President Trump for president, he was a Tim Scott supporter until recently. We'll talk to him about the state of the union coming up.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: It's the president and vice president of the United States. Then, I have it on so they can let me in.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

MACCALLUM: So, in moments I will speak with senior advisor, Gene Sperling, to President Biden here on set in Washington. But first, breaking news reports here around D.C. around the issue of TikTok, which is owned by the Chinese company, ByteDance. They're urging their own users to fight a bill that could ban TikTok here in the United States. Correspondent Mark Meredith reports live from Capitol Hill. Hi, Mark.

MARK MEREDITH, FOX NEWS CHANNEL CORRESPONDENT: Martha, good afternoon. Welcome to Washington. Today, Congress is taking some of its biggest steps yet to potentially ban one of the biggest social media apps in the country. We're talking about TikTok, but like you referenced, the company is urging its users to raise hell, call Congress, and try to kill this measure from moving forward.

TikTok users have also told Fox they've been getting messages on their phone when they essentially open up the app to say if they want to make sure they still have access to TikTok, that they should call their local lawmakers if they're worried that the app could be blocked. Congressional offices tell Fox they've been getting calls, some from middle schoolers, but it's unclear exactly how long this may last or if it's only going to be for a few hours.

Today, the House Energy and Commerce Committee began marking up the bill, which will essentially allow the federal government to designate apps owned by foreign adversaries like China as dangerous and give the President power to potentially block them on U.S. app stores. Lawmakers say intelligence agencies believe China, as you mentioned, where TikTok's parent company is based, is using TikTok's data to track Americans and potentially influence daily life based on the app's heavy use.

(BEGIN VIDEO CLIP)

REP. CATHY MCMORRIS RODGERS (R-WA): We cannot trust them. We cannot trust them to be upholding American values or protecting American users. And that's why this is bipartisan. This is why Republicans and Democrats are coming together because we believe this is so important in order to protect Americans and ultimately what is a national security threat.

(END VIDEO CLIP)

MEREDITH: The House Speaker says he supports this legislation. We don't know how fast the Senate may move, but Martha, the White House says it supports it too. But I should mention the president's campaign is on TikTok. Martha.

MACCALLUM: That is true. Mark, thank you very much. Also breaking today, the House has just passed the Laken Riley Act hours before tonight's State of the Union address, it requires the feds to detain migrants who are accused of crimes after they enter the country illegally.

The suspect in Riley's murder was cited for shoplifting back in October. Police said that he had no prior shoplifting convictions, so it was standard procedure to release him. No word on whether they knew his immigration status. The feds say that he crossed the border illegally more than a year ago.

And the number two Senate Republican GOP Whip, John Thune, of South Dakota is here with me in Washington. But first, a quick report from Aishah Hasnie, who is over on Capitol Hill on that story. Hi, Aishah.

AISHAH HASNIE, FOX NEWS CHANNEL CORRESPONDENT: Hi, Martha. Well, House Republicans are taking a stand, and this was a pretty bold message to the president on illegal immigration. And it wasn't just House Republicans. This was a bipartisan statement because 37 Democrats, that's not nothing. 37 Democrats joined all House Republicans today in passing the Laken Riley Act.

And again, as you mentioned, had this law been in effect, 22-year-old Lake and Riley's alleged murderer would have been picked up by ICE after that shoplifting charge down in Georgia. Now, Republicans, they're trying to pressure Biden to reinstate Trump-era executive orders, but the White House says Biden will not announce any new actions tonight.

What you will see is Republicans bring guests in who've been impacted by illegal immigration, and also Congressmen Mike Collins. He invited Riley's parents to attend. They will not be here tonight. Instead, there will be an empty seat to honor her.

(BEGIN VIDEO CLIP)

HASNIE: Do you think he should bring up, Laken?

REP. TONY GONZALES (R-TX): I think a lot of America is not going to pay attention to what President Biden has to say. I've stopped listening. I don't trust the guy. I don't trust the guy. Whatever he says is meaningless. America is about action. It's about action, not words.

(END VIDEO CLIP)

HASNIE: So, Martha, you hear the anger in his voice and earlier today we were talking with Congresswoman Marjorie Taylor Greene. Things could get heated. She could once again call out the president as she did last year, called him a liar in the middle of his remarks. Martha.

MACCALLUM: Yes. We know the Speaker Mike Johnson has asked for decorum tonight. We'll see what happens. There is obviously a lot of hot tempers around a lot of these issues, and understandably.

Aishah, thank you very much.

So, joining me now here in Washington. Senate Republican whip. John Thune of South Dakota. He's running to replace Mitch McConnell when he steps down as GOP leader in November. One of three individuals who are said to be interested in this spot. Sir, thank you very much.

(CROSSTALK)

SEN. JOHN THUNE (R-SD): Thanks, Martha. Nice to be with you.

MACCALLUM: Good to have you with us today.

THUNE: As always.

MACCALLUM: I just want to go back and play something that President Biden said when he was running for president. And then, show some of the graphics behind what has actually happened since then. Watch this.

(BEGIN VIDEO CLIP)

JOE BIDEN, PRESIDENT OF THE UNITED STATES: I would, in fact, make sure that there is -- we immediately surge to the border, all those people who are seeking asylum. They deserve to be heard. That's who we are. We're a nation says if you want to flee, and you're fleeing oppression, you should come.

(END VIDEO CLIP)

MACCALLUM: You should come said the now president, and look at what happened. They came. Look at these numbers as we put them up for you. The right-hand side of your screen is under the Biden administration.

Senator Thune, thank you very much for being here.

So, the president asked people to come, they came in huge numbers, we saw that man wearing a Biden-Harris t shirt, saying, I'm wearing this, so, I can get in.

THUNE: Right.

MACCALLUM: What do you expect tonight?

THUNE: Well, I mean, obviously, people respond to incentives. And what this administration did by reversing all the Trump administration policies on the borders, hanging a big welcome sign out, and so, people are coming here in droves illegally.

And you know, we've seen since he became president, a total of about 9 million people -- 3 million a year, who have come here illegally, and a good portion of those are what are known as gotaways. So, they didn't catch them, they don't know who's in that group. But we do know this.

Last year, there were 169 people on the terrorist watch list who came into this country illegally were apprehended at the border. And who knows how many of the gotaways might have been on the terrorist watch lists as well.

So, I don't have high expectations that he's going to do anything to fix this, Martha. I think this is baked in. And I think it's just a huge dereliction of duty on the part of this president.

MACCALLUM: I mean, talking about incentives, though.

THUNE: Yes.

MACCALLUM: I mean, look at his numbers.

THUNE: Right.

MACCALLUM: If that's not a political incentive to do something and to change gears, I don't know what is. I mean, you know, you look back -- here is what Bill Clinton did when his election was on the line in 1995, and this was also an issue back then.

Here is what he said at the same point in his presidency for the State of the Union. Watch.

(BEGIN VIDEO CLIP)

BILL CLINTON, 42ND PRESIDENT OF THE UNITED STATES: We are a nation of immigrants. But we are also a nation of laws. All Americans, not only in the states most heavily affected, but in every place in this country are rightly disturbed by the large numbers of illegal aliens entering our country.

(END VIDEO CLIP)

MACCALLUM: All over the country. Other places are rightly disturbed by what they see. Why wouldn't President Biden say that? And I would eventually guess, at that time, we probably agreed with everything that Bill Clinton said.

THUNE: Right. Well, I don't often find myself agreeing what is the former President Clinton said either. But, in this case, I think that President Biden, he has to acknowledge that the last three years have been a bust. I mean, so, I think right now, he is in a situation politically, where he is going to be held accountable for this either way.

And he should be. I mean, it's baked in with the American people. They understand what's happened. They know that there was operational control at the border under President Trump. Soon as Biden takes office, he reverses all the executive actions, including, you know, repealing the state of emergency at the southern border. And what we've seen since, as I said, 9 million people in three years, just crashing the record (INAUDIBLE).

(CROSSTALK)

MACCALLUM: Well, he is not going to take the blame. He's going to blame you.

THUNE: Well, he's in a -- he's -- yes, but you know --

(CROSSTALK)

MACCALLUM: He'll blame the Senate, and to say they have to fix this on Capitol Hill.

THUNE: Well, the truth is, he has all the authority needs as President Trump proved when he was in office. The Remain in Mexico policy, ending catch-and-release. I think there are some things that Congress could do in terms of reforming the asylum process. But he has -- he has paroled 22 times the number of people that the Trump administration paroled per month.

Those are people that when they come in here and get caught, they're just being waved into the country.

I mean, there is no way you can defend this. There is no excuse for it. It is his problem of he's own making, and I think the American people are going to hold him to account for it. They should.

MACCALLUM: Well, he completely ignores Laken Riley.

THUNE: Right.

MACCALLUM: And she is just one person. There are many others who have been killed by people who came to the country then committed a crime. Even if it's a small shoplifting. That's it, you broke your deal, right?

THUNE: Right.

MACCALLUM: I mean, if you come here illegally, you break your deal when you break the law, and should be sent back very quickly.

You endorsed former President Trump this week. You haven't always been a huge supporter, a huge fan. And you were hoping that Tim Scott was going to get that nomination. Why did you decide and was that a difficult decision for you?

THUNE: Well, not really. I mean, it became clear to me he was going to become the nominee. And right now, we've got to put a stop to the Biden- Schumer agenda. I mean, it's as simple as that. And this is a choice for the American people. It can be Donald Trump or Joe Biden.

And if you look at the Biden record on inflation, on open borders, on, you know, less energy independence than we had before in the previous on the Trump administration, weakened posture when it comes to America's strength abroad.

Those are all things that this president is going to be held accountable for and things that we've got to change if we get the control and we get the presidency, and I hope that we do.

MACCALLUM: Do you expect to be the Senate Majority Leader? I'm sure it's what you're hoping? Do you expect that you're going to get that job? And will you be elected to it by your fellow senators?

THUNE: Well, I'd say it's an election that the senators vote on. We'll see. I hope so. I mean, I'm going to make an argument that we need a new generation of conservative, consistent, principled leadership that empowers individual Republican senators. You're going to hear from one of them tonight in the response to the State of the Union.

We've got a great team. We're excited about the future. We think with the Republican president. We can get a lot a lot done for the future of this country and for the American people.

MACCALLUM: Senator Thune, thank you. Always good to see you. We'll be watching.

THUNE: Thanks, Martha.

MACCALLUM: Thanks for coming in today.

THUNE: Nice to be with you.

MACCALLUM: You too.

So, can President Biden convince voters that his economy is going to be better than Trump's, when many clearly disagree when you look at the numbers. Senior adviser to the president, Gene Sperling joins me here on set in our Washington bureau, coming up next.

(COMMERCIAL BREAK)

MACCALLUM: So, take a look at this. As President Biden gets ready to speak to the nation tonight, more than 60 percent of registered voters say they do not approve of how he's handling the economy. More than 80 percent of independent voters say that they think the economy is in bad condition.

That one is according to the latest Fox poll. This one is a Gallup poll of registered voters. Almost 80 percent say they are dissatisfied with the way that things are going in the United States right now.

And now, this week, the president said that he is taking action to cut costs for Americans

There's almost 80 percent say they are dissatisfied with the way that things are going in the United States right now this week, the president said that he is taking action to cut costs for Americans. And he called out companies for what he called shrinkflation. Or as Cookie Monster put it, "Me cookies are getting smaller. Former President Trump responding today in what his team calls a pre-battle to the State of the Union. Watch this.

(BEGIN VIDEO CLIP)

DONALD TRUMP, FORMER PRESIDENT OF THE UNITED STATES: Shrinkflation is just another way of saying inflation. It means that you're losing a lot of money, because these people don't know what they are doing. It was all caused by crooked Joe Biden and the people that surround him.

Under my leadership, there was no inflation, we had the greatest economy in the history of the world.

(END VIDEO CLIP)

MACCALLUM: OK. With that, we bring in Gene Sperling, senior adviser to President Biden and former director of the National Economic Council under Presidents Clinton and Obama.

Gene, welcome. Good to have you here today.

GENE SPERLING, SENIOR WHITE HOUSE ADVISOR: Thank you. Thanks for having me.

MACCALLUM: Thank you very much for coming in. So, this week, President Biden did point to shrinkflation. He said, these greedy corporations are shrinking the product that you pay for. And he also blamed bonuses that CEOs are getting. You hear the former president saying, no, no, no, there is a lot of inflation, and it's because we pumped trillions of dollars into this economy that they are still trying to flush through.

SPERLING: Well, what you're going to hear the president say tonight in the State of the Union, is he's going to remind people of where we started. We started in a very, very bad place. We started with an administration that had -- what had lost jobs for the first time since Herbert Hoover. He had a very shaky prospects for United States in January 2021.

And what the president's going to make clear is that his focus on what he calls middle out and bottom-up economics, focusing on working families, focusing on manufacturing. Investing in the United States has led to a resilient and equitable recovery. You know, every single job, you know, has been returned. Plus 5.3 million more. That's the most jobs created in three years in the history of the United States. Low unemployment.

On inflation and prices, you know, I think there, this is -- you have to respect that a lot of families, you know, still feel a bit of anxiety about the economy having gone through the pandemic, the variance, you know, because of the war, and because of the pandemic, inflation prices were very high in 2022, all over the world.

So, what you're seeing a bit is inflation has now come down nicely, you know, 2.4 percent in the PCE inflation. But, I -- you know, we get it. A lot of families still feel like, well, you know, some of those prices are coming down, but they're still a bit higher when we came in. And what --

(CROSSTALK)

MACCALLUM: Yes. Well, let's talk about --

SPERLING: Yes.

MACCALLUM: Let's talk about some of what you -- what you laid out here. This is from Dan Henninger's piece today. And this is the -- this is the level of dismay that we're seeing in all of these polls. I mean, these are polls from all over the place; from Gallup, from A.P., from Fox and other news sources.

And he tried to figure out what's going on here because, as Henninger writes, "The Biden presidency has dedicated trillions to infrastructure, climate projects, schools, welfare, pandemic supports, student debt. In short, the second coming of Franklin Delano Roosevelt. It would be one thing if people said that all this had helped, but hurt?"

People are saying that the Biden policies have actually hurt them. A plurality of those ask say that.

SPERLING: Let's first do what are clear, indisputable facts. It's the first time that you've had unemployment below four percent for two years in a row in over 50 years. It is indeed the largest job creation over three years in the history of the country.

It is the case that now real -- the wages are above inflation, so people have more real purchasing power. As I said, I think people -- not just United States, all over the world are still feeling some frustration. But let me make two very important points.

One, you are seeing some signs in the polls -- they are seeing some signs of people appreciating the economy more. Let me give you a couple examples. The Axios poll, which asked people how they were doing, found 63 percent saying they were doing very good or good.

The PNC poll of small businesses found eight out of 10 feeling good about their companies. Prospects for this year, consumer confidence --

(CROSSTALK)

MACCALLUM: All right. I mean, we can go back and forth on polls. But --

SPERLING: Well, no, no.

MACCALLUM: Let -- no, but six --

SPERLING: Right. You've laid this out.

MACCALLUM: Look, 38 percent approval number is historically low for someone who is running for president.

(CROSSTALK)

SPERLING: Yes, hold it. But hold it. Hold it.

MACCALLUM: You can tell me everything that you guys have done, but I'm saying that it's not --

(CROSSTALK)

SPERLING: You just -- you just told me -- Martha --

MACCALLUM: People say it's not working.

SPERLING: You just told me, let's not talk about polls, and then, you went to negative polls.

(CROSSTALK)

MACCALLUM: All right. Let's go in on polls. Go ahead.

SPERLING: So, let me -- let me complete the fact that consumer confidence has also gone up about two 25 percent since October. But --

(CROSSTALK)

MACCALLUM: All right. Let's put up the consumer sentiment chart here. So, we can take a look. OK.

SPERLING: Most importantly --

MACCALLUM: No, I just want to show you something, because you -- this is consumer sentiment, you know, we're going to go back and forth here on the conversation.

SPERLING: Yes.

MACCALLUM: OK? You can see the level of it under Trump and you see the drop that happened during COVID, very understandable. But this president had three years to pull us out of the hole. And Consumer Sentiment is what you see on the right hand side of your screen there.

So people are clearly frustrated. You know, one of the viral things today on social media is a Five Guys' receipt, $22.69 for bacon cheeseburger, some fries and a drink. And that person, you know, couldn't even get a tip to put out there. Bernie Sanders says, you know what, Democrats seem to think that if we only explain all that we've accomplished, people will come on board, but it ignores the pain that ordinary people are now experiencing.

So is the President going to get up there tonight and say, I understand that not everything has worked yet? Or is he just going to blame businesses and corporations and talk about, you know, greedy CEOs? I don't think that that's resonating with a lot of people.

SPERLING: Martha, first of all, I came on and started with the fact that we understand that a lot of people are still feeling the costs are too high for them, the prices are too high. And yes, we can acknowledge the reality that inflation is moving in the right direction. It is down significantly, but some people may still feel, you know, frustrated at the grocery store that hasn't gone all the way down.

But what you're going to see the President doing today, and speaking at say the union is making clear that it is Joe Biden, and not the Republican Party that is focusing on lowering cost. And yes, it will be focusing on things like shrinkflation and it will be focusing on the degree that people may be price gouging, or doing illegal pricing. But it's also going to be very, very tangible on how do we get more affordable lower housing costs, how do we lower healthcare costs. We're going to make 21 million more people be able to get $800.

More prescription drugs, the President is going to call for an out of pocket limit at $2,000. He's taking on big pharma, he's taking on the big banks on overdraft fees, he's taking on the credit card agencies on late fees. All of these things is going to show that he has the agenda for lowering costs. And people is going to realize that --

MACCALLUM: Here's what I'm hearing, Gene.

SPERLING: -- that there's a choice this year. The choice is between do you want someone who's moved the economy in the right direction but understands things are not good enough, and has an all out agenda to take on, powerful interests to lower costs, or people who are going to be for tax cuts for the well off and be afraid to take on powerful interest costs lower for middle class families.

MACCALLUM: I understand where you're coming from. And what I'm hearing is a lot of programs, a lot of ways to cut costs, and a lot of punishment of companies and corporations for the bad things they do. Now, you said shrinklation and gouging, and all those things which the President talks about, I understand that's the economic perspective and I get that. But --

SPERLING: Why don't you mentioned prescription drugs.

MACCALLUM: Prescription drugs, you just mentioned --

SPERLING: Prescription drugs -- no but --

MACCALLUM: Fine, everybody wants lower costs there.

SPERLING: OK, but let's talk about that. When you're willing to take on big pharma where Joe Biden is and Republicans are not, what happens? You lower the federal costs for Medicare paying for it and you lower the costs. Insulin is now at $35 a month that used to be $500.

MACCALLUM: Absolutely.

SPERLING: Prescription drugs being kept to 2,000, I mean, how many families out there would that be a game changer for --

MACCALLUM: I think everybody will feel that those are good --

SPERLING: Those are real things that Joe Biden is leading on and taking on powerful interest on behalf of lower cost for families --

MACCALLUM: Understood. And I think you're going to listen to every word he says tonight. Here's a very quick soundbite from President Clinton in 1995. And then I know we're out of time. So a quick response if you would, on the other side of side.

(BEGIN VIDEO CLIP)

BILL CLINTON, FORMER PRESIDENT OF UNITED STATES: The era of big government is over. But we cannot go back to the time when our citizens were left to fend for themselves.

(END VIDEO CLIP)

MACCALLUM: Any signs that there's a shift coming? That, like Bill Clinton did in 1995, and I know you worked in that administration, that there's an understanding that we have to cut spending, that we have to move to the middle, which I think a lot of people expected this president was going to do.

SPERLING: So you will see that when the President puts out his budget, that he's going to bring down the deficit again, significantly --

MACCALLUM: Cutting government?

SPERLING: -- by a couple of trillion dollars. Some of that will be increasing taxes on billionaires and the most well off corporations escaping the responsibility. But there's another thing that's very clear, the President has focused on the private sector. Small business job applications are the record high and 60%, higher than they were in 2019. And we have leveraged in over 600 billion in private sector investment.

So if the President's thinking is not about the slogans, he's thinking about what do we do to leverage the private sector on behalf of good strong middle class jobs in the United States. And there is a lot to point to that that has been very successful. And you're right, there's going to be a real debate in 2024 about people understanding that and that's -- you're right, it's on us to do a better job of that. But we recognize people, a lot of people still want things to be better and President Biden's going to let them know he's the one fighting for them.

MACCALLUM: OK. Gene Sperling, we look forward to all of the debate as it comes over the course of the coming election year. We thank you very much for being here. We hope to speak with you again, and go back and forth on the issues that people care about. So thank you for coming.

SPERLING: Thanks for having me.

MACCALLUM: Thank you very much. So our own Neil Cavuto joins us with a look ahead to the State of the Union coming up next.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

SPERLING: That we understand a lot of people are still feeling the costs are too high for them, the prices are too high. And yes, we can acknowledge reality that inflation is moving in the right direction. It is down significantly, but some people may still feel, you know, frustrated at the grocery store that hasn't gone all the way down. But what you're going to see --

(END VIDEO CLIP)

MACCALLUM: President Biden senior adviser, Gene Sperling, moments ago here on THE STORY. The President, obviously, faces very tough polling numbers when it comes to the economy, heading into tonight's State of the Union address. 62% believe that he is not doing a good job handling the economy. With that we bring in Neil Cavuto, anchor of "Your World" on Fox News Channel and "Coast to Coast" on Fox Business. Neil, great to have you with us --

NEIL CAVUTO, FOX NEWS ANCHOR: Thank you.

MACCALLUM: -- this afternoon ahead of the State of the Union. And you just heard from Gene Sperling, he has counseled President Clinton, President Obama and now President Biden, and watch the economy a lot. What did you think of what he said about how we're doing and what the message will be tonight?

CAVUTO: First of all, that was a great interview. But in keeping with that theme, if you could ask me one question, I can take 10 minutes to answer it. No follow up question. Well, the point was --

MACCALLUM: I might have to jump in and cut you off then, Neil.

CAVUTO: Yes, absolutely. I'm going to keep talking. I'm just going to keep talking and run with it.

What he's saying is, look, things are improving, things are getting better. The economy is good. We're expecting a strong jobs report tomorrow. He's right on all counts. But the American people don't feel it. And you cited example, that example even dead right on that. They don't feel it.

But taking a bow for the improvement and inflation is a bit rich here. The fact of the matter is, it is coming down, at least from ties, because the Federal Reserve has been aggressively raising interest rates. So tip your hat to Jerome Powell, if you want to do that, but probably not the White House at this stage.

MACCALLUM: Yes. I mean, the question, one of the questions is, would we have had to -- did we -- would we have needed this enormous battle to beat back the monster of inflation if they hadn't poured trillions of dollars into the economy to try to juice it after COVID. And there was debate about that then, and there's debate about it now. But President Biden, when he talks about what's going on and tries to explain it to people, he says, it's those fat cat CEOs that are to blame, and they're shrinking your Oreos inside your box, which I know you don't like, Neil.

CAVUTO: No, I do not like. But, you know, people forget the rationale behind shrinkflation. It was company's way, and they done these studies where they had a choice between doing what they're doing with shrinkflation, and just marking it up to the price of the value of those goods in an inflationary world.

Let's say those chocolate chip cookies that you like, they just marked them up 30%, which was about the average price of chocolate chip cookie in the run up there. How do I know that it's just pure circumstance? Or they could try to limit the damage and limit the impact by maybe shrinking the number of cookies in that set back. A lot of people don't like that. But I doubt they would like the 30% more expensive cookies. And don't get me started on Italian sausage and the doubling that's been going there.

My only point in mentioning that is it's easy to create villains and blame others for your problem. I would love to blame all the food companies for my being maybe five or six pounds overweight. But the fact of the matter is, I ate the cookies, I ate the food. No one held a gun to my head. This is on the administration.

Not entirely, we're coming out of COVID, there was going to be a pickup in economic activity. When you go from park to eat in 20 miles an hour, you're going to see an uptick in activity and prices. They compounded it with all of this spending early on. And I think that is something that they have to settle on and realize that the improvement that we're seeing has much to do, at least on the inflation front, with these aggressive hikes and rates.

Now that might ease it, we're well off our highs and we were running at about a 9% inflation rate. But we're a long way from that 2% they want to be at.

MACCALLUM: Yes, indeed. You know, when it comes to cutting costs, which is what Mr. Sperling focused on in terms of how to make people feel better about the economy, he pointed to a number of areas where, you know, student loan relief, prescription drugs lower. And what you're going to hear on the Trump side of the equation in this head to head presidential race is, you know, cut taxes, cut regulations, unleash the shackles from businesses and let them, you know, let them do their thing. And hopefully that will lead to more prosperity.

You know, your thoughts on their approach there, Neil.

CAVUTO: Well, you know, spending has never solve the problem, and forgiving student loans, whatever you think of the wisdom and the kindness, and the magnanimous gesture that makes, and just adding it to the debt, well, then we all pay for that. So you can certainly quibble with the notion that really in the long scheme of things who is helping.

The fact of the matter is, deficits pile up as they did under the prior president, the president before him, the president before him. The fact is, that is what's driving this -- all of this spending, that unless we get that under control, no matter what the Federal Reserve does, we will still have this problem.

MACCALLUM: Do you think that Joe Biden's going to say tonight, the era of big government is not over?

CAVUTO: I'm willing to bet no. But I, you know, I might go to DraftKings and try that one, but I don't think that's in the cards.

MACCALLUM: Good news, all right. Neil, thank you very much. Great to see you.

CAVUTO: Same here.

MACCALLUM: We'll see you later. Thank you very much. The great Neil Cavuto joining us this afternoon.

So here in DC, a new measure to crack down on crime, as some blue-governed cities or Democrat-governed cities are starting to realize that they have to wake up to some of the failures that happened during the defund movement, which have made their residents less safe. So they're trying to reverse that. John Roberts and Shannon Bream, who has just come back from the White House lunch, and she's going to share what she can about that with us as well coming up next.

(COMMERCIAL BREAK)

MACCALLUM: New York Attorney General Letitia James getting booed today in New York City. Her lawsuit led to former President Trump's fine of more than $300 million -- well over $350 million at this point in the civil fraud trial. He is appealing and he says he did nothing wrong. Watch what happened when James spoke at the fire department promotion ceremony today at a church in Brooklyn.

(BEGIN VIDEO CLIP)

LETITIA JAMES, NEW YORK ATTORNEY GENERAL: Oh, come on. We're in a house of God. First, simmer down, I want to thank Commissioner Kavanagh and chief Hodgens for that recognition.

(END VIDEO CLIP)

MACCALLUM: Oh, you know who's going to love that. FDNY Chief of Department John Hodgens telling Fox, "Today's ceremony was about one thing, the accomplishment of the members being promoted, the members whose behavior," -- excuse me, "distracted from that celebration were an embarrassment and not the fitting of the world's best fire department."| And indeed, they are, and we congratulate all of those who got promoted today. And we thank them for the hard work they do every day in New York City.

So we are now just hours away from President Biden's State of the Union Address here in Washington, just one of the nation's blue cities that is cracking down on crime this week, DC passing a bill to increase some punishments and to give police more power, New York. Wow, they have sent the National Guard into the subway system. That's a huge turnaround.

And San Francisco voters, they approved new requirements for people getting public benefits and lose their restrictions on police in order to let them do their jobs. Remember when they wanted to defund them and a lot of them retired, and so now they have a sparse force.

So here's the reaction from to San Francisco Chronicle reporters, "For now, at least, San Francisco can no longer be called a progressive city. America Reports co-anchor John Roberts and Shannon Bream, anchor on Fox News Sunday here with me in Washington.

Shannon is fresh off of lunch at the White House, which is a tradition to speak to all the networks before the big night. And it's an off the record situation, but sometimes there are some things that you can share. So, what was your takeaway, Shannon?

SHANNON BREAM, FOX NEWS ANCHOR: I think that we won't be surprised to know the President is going to tout what he's done well. I got the sense that he feels like, as many of his allies will say, he doesn't get the credit for the things that are going well. So I think he's going to want to try to link those dots together tonight for the American public.

I sense a real launching of the reelection campaign in earnest that he is now going to consider we were officially in the general election, and he's going to go straight up President Trump. So I wouldn't be surprised if he's both on policy, but he's also about campaigning --

MACCALLUM: So you wouldn't be surprised, it sounds like. Correct me if I'm wrong, that this has a real political tinge to it tonight.

BREAM: It feels like that's where we're going for tonight.

MACCALLUM: Interesting, interesting. So, John, interesting what's going on in some of these cities, right. We've all we've seen the whole arc of this, from George Floyd, defunding the police, to now reversing policies from that.

JOHN ROBERTS, FOX NEWS ANCHOR: Who could have ever foretold that if you defund the police, and you get rid of the number of police officers on the streets, that the people who perpetrate the crimes would actually find that there is a brand new playground out there. How do these people who promoted this ever think that if you got rid of police, people would be better behaved, they wouldn't commit as many crimes.

Look at what happened in DC two years ago, they passed this crazy crime bill. The Congress said, y'all are nuts. We're not going to let you pass that. Now they've got the Secure DC Act out, which has got progressives up in arms. San Francisco, same thing.

And here is the really interesting thing about New York City, and Governor Kathy Hochul putting in the National Guard. Mara Gay, who is an editorial board member for the New York Times, responding to an editorial that the New York Times published a couple of years ago. Tom Cotton saying we need to perhaps bring out the National Guard to deal with a lot of these rights. She wrote at that time running this running this oped puts black people in danger and other Americans standing up for our humanity and democracy too.

Mara Gay say about this idea to put National Guard in the subway, the National Guard might help subway riders feel safer. It all depends whether it's a Republican who's proposing it, or it's a Democrat who's proposing it. But it's the same thing. Crime is out of control in many cities, and these politicians are finally waking up to that fact. And they're willing to do something about it in some places.

MACCALLUM: It is. It's really stunning. And the hypocrisy is so blatant. And you'd love to hear at some point, Shannon, one of these officials do a little bit of a mia culpa, you know? So I think people would really relate to that if someone said, you know what, obviously we went too far. And we - - and that's wrong.

And people aren't as safe as they used to be, we want to make sure you feel safe in New York and in these other cities.

BREAM: And instead, in many places, what they're doing is sending it back to the voter saying that, oh, you were responsible for some of these things. We think about an Oregon that we've been covering there, where they legalized, you know, possession of a number of drugs, like I mean, meth and fentanyl and other things. It wasn't just some pot, and now they've had an emergency there.

The governor there has literally declared an emergency. They sent this back to the ballot box. And now it looks like Oregon is going to backtrack on that as well.

So again, as John said, you can't be surprised about what the end result of these policy changes are. And I would note, I think that Republicans are going to very much stay on this issue of crime. We know that Mike Gill, a former Trump administration official, lawyer here in Washington, who was shot and killed and carjack just a couple of weeks ago. His widow is going to be a guest to the speaker tonight.

MACCALLUM: Yes. I mean, that Oregon story, John --

ROBERTS: I don't know --

MACCALLUM: It's like if you allow -- we're going to allow people just, you know, small amounts of fentanyl, which can kill you, by the way, small amounts of cocaine, other drugs, and we won't criminally prosecute them for small amount of drugs. Guess what happened? I'll give you three guesses what happened --

ROBERTS: Overdosed.

MACCALLUM: More people died, yes.

ROBERTS: Their stats went up 75%. And I'm not that smart but I could see that coming. I don't know if these lawmakers who write this stuff and propose it are just really thick, or they don't want to get it, I think is that they probably don't want to get it.

They think there should be these progressive policies that show tolerance, and they think that by setting up a hotline and giving people $100 ticket and say, oh, you can get this ticket wiped out, if you call the hotline. I think 1% of people who got tickets called the hotline. There were a few people who went in for treatment at the cost of $111,000 per person, as overdose deaths went up, you can see this thing, it's like a huge train rolling down the track. And nobody saw it.

BREAM: Well, we think about these states and these cities where they've legalized the centers where you can come and shoot up and they'll have Narcan. And they'll basically bring you back from death. But if you're telling people, we're not going to force you to get rid of your habit, or to get help with that, which desperately people need help, but instead, we're going to provide a place where you can come shoot up, and nobody can charge you or your supplier with any crimes. I mean, again --

MACCALLUM: And guess what, it doesn't work. And it means to a less safe city for the people who are shooting up and for the people who are living there.

I want to get one more political answer from you guys, because -- I'm sure you're right, Shannon, that it will be a very political speech in a lot of ways tonight, and this is the first week that the gloves are truly off between Trump and Biden, right? We now see a matchup that a lot of people said they didn't want but they're going to get it. And here is a new ad out from MAGA Inc, which is a, you know, Bush -- Trump, excuse me, supporting group. Here's just a little sliver of what you can expect a lot more. Watch this.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: If Biden wins, can he even survive till 2029? The real question is, can we?

Make America Great Again is responsible for the content of this advertising.

(END VIDEO CLIP)

MACCALLUM: Oh my goodness.

BREAM: Only nine months to go.

MACCALLUM: Only nine months. It's going to be a long general election.

ROBERTS: But that's the reason why I think a lot of people will be looking to Biden tonight, not for policy prescriptions, but for how he is. He seems to have gone downhill a lot since the last State of the Union Address. Maybe he'll be pumped up and ready to go. They've given him a lot of time off this week, there's been a lot of rehearsal as well, in terms of the scripting and the performance. So we'll see if he can pull it off.

But if he has one little episode, like he's had many, many times, I think people look at that and say, mm.

MACCALLUM: Don't you think, Shannon, the bar is so low, right, because of all of this. So if he -- I think if he comes out, and he reads the teleprompter reasonably well, and makes it through the speech, it's going to be like, see, he's in great shape,

BREAM: Right. If it's clean, I think that you and I've had some conversations with folks today. And you probably have as well about worries that some on the GOP side worry that if there are those members who heckle or engage him. He took that as a win last year. He's like I was able to go back and forth with them.

MACCALLUM: Yes.

BREAM: I negotiated on Social Security.

MACCALLUM: (Inaudible).

BREAM: So I think there's very much a hope from some on the Republican side that they don't get into that this year, and don't give him that opportunity.

MACCALLUM: Yes. But a little rep or taillight that could be a win for him.

BREAM: Right.

MACCALLUM: You know, if he seems right back, and he has that -- he has game in that way, that could be a good thing for him.

BREAM: Yes.

MACCALLUM: So we'll see what happens tonight. You know, it's always interesting to watch these speeches, and I like looking back at former ones on this day to see and we played a little bit of Clinton, you know, some memorable moments from these over the years. And Mike Johnson will be his first night sitting back there doing the straight face.

BREAM: He have no choice.

MACCALLUM: I don't think he's going to rip up the speech. I have some incense --

BREAM: Yes.

MACCALLUM: -- that he is probably not going to rip up the speech which I learned is actually a felony.

BREAM: Right, right. And apparently (inaudible) wrote about that last time.

MACCALLUM: Not prosecuted, but I'm just a little bit of information for you. John Roberts, great to see you. Shannon, great to see you.

ROBERTS: Good to see you too.

MACCALLUM: Great to be with you guys in Washington today.

So that's THE STORY for this Thursday but THE STORY goes on. But this story goes on all evening, folks. Bret Baier and I will be back at 9:00 Eastern alongside our great panel this evening for the State of the Union this evening.

**Load-Date:** March 7, 2024

**End of Document**