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# MSNBC THE LAST WORD WITH LAWRENCE O`DONNELL 10:00 PM EST June 2, 2018 Saturday

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Nance

**Highlight:** Former top government officials speak out on President Trump's attacks on the judicial branch and what his actions mean for the country's democratic institutions. President Trump lowers expectations for the North Korea summit on June 12th as reports emerge of a potential summit with Russia's Vladimir Putin already in the works. A close friend of Jared Kushner comes under Special Counsel scrutiny for a meeting he had which may have something to do with establishing a Trump-Russia back channel. President Trump lashes out at U.S. allies as a new trade war looms, but the Canadian Prime Minister is pushing back, saying the reasons for the tariffs are insulting and unacceptable. New reports reveal rogue surveillance devises for intercepting cellphone calls and texts have been found right around the White House.

# **Body**

RACHEL MADDOW, MSNBC HOST: -- 77 bills into law today, including one that makes putting naked pictures of someone online without their permission a crime. He also pardoned five convicted felons and commuted the sentences of four others before his tenure in office officially ended and the moving van pulled away.

It's a good thing the Missouri press was paying attention while all this was happening because Missouri's new governor wasted no time erasing all traces of Eric Greitens from the state's official website.

Eric who? No matter how big you make your signature, when you're gone, you're gone.

That does it for us tonight. We will see you again on Monday. Now, it's time for THE <u>LAST WORD</u> with Lawrence **O'Donnell**.

Good evening, Lawrence.

ARI MELBER, MSNBC HOST: Good evening, Rachel, it's Ari.

MADDOW: Oh, you're not Lawrence.

MELBER: I thought maybe --

MADDOW: I'm so sorry.

MELBER: I thought it was a joke, but then you didn't say anything else.

MADDOW: I didn't know. I'm very sorry. Let me do it again.

MELBER: OK.

MADDOW: That does it for us tonight. We'll see you again on Monday. Now, it's time for THE *LAST WORD* with

Lawrence O'Donnell. Except it's not! It's Ari!

MELBER: You got it.

MADDOW: Sorry.

MELBER: Have a great, great weekend, Rachel.

MADDOW: Thank you, my friend.

MELBER: Thank you.

MADDOW: Thanks.

MELBER: Donald Trump ran for president claiming that Barack Obama's record creating jobs didn't really matter because federal jobs data is all phony anyway. You may remember all that.

Well, today, Donald Trump is claiming credit for, yes, what those exact same numbers show. Now, if there's a problem with the data, it turns out tonight we can tell you that's a problem caused by Donald Trump who leaked a hint at what was coming by tweeting about the report an hour before the Labor Department officially releases this data.

Now, that stunned economists, according to "The New York Times," and actually risked a market shift because fast-acting traders could place bets on an optimism-fueled market surge.

Now, let's be clear. There aren't any strong laws against tweeting about this data right before it comes out. It's more of a logical, responsible practice that literally every single president has followed.

As political scientist Brendan Nyhan has written, during this Trump era, quote, we normally count on politicians to restrain themselves out of fear of public consequences. But as Trump's election showed, the polarization and partisanship of our era have weakened those guardrails.

Now, Trump says he doesn't care about many types of public consequences. He boasts about that, that he won't listen to the guidance of certain experts or the advice of the nonpartisan civil service corps, the federal government, certainly not the standards of public rebuke or shame that have always policed norms of how we speak and how we treat each other.

Now, the <u>last</u> category is something Trump campaigned against specifically. He dubbed it, of course, political correctness. Unless it's Donald Trump this week demanding political correctness for his critics only. Today, agitating for the firing of comedian Samantha Bee because she used a vulgarity -- one that many of us object to, of course -- against Ivanka Trump.

Now, put aside the tweets and the sideshows and Trump's grinding attempts to undermine the Russia probe, and there are still other things going on. His team, for example, deploying Trump in attempts at presidential-style activities.

Take his trip to Texas this week to talk with relatives of the victims of the Santa Fe High School shooting. Trump spoke to a grieving parent, Rhonda Hart. Her 14-year-old daughter was killed in this shooting.

Now, she says she suggested to Donald Trump that schools employ veterans. And he responded, and arm them? And she replied, no, but relayed that Trump kept mentioning arming classroom teachers. Quote, it was like talking to a toddler, Hart told the A.P.

Now, over at the White House -- and we make it a practice to check in with them -- I can tell you, generally, these kind of stories are greeted with an objection that Trump seems to be punished and criticized no matter what he does. That even if he does show up after a shooting, he then gets pilloried for it.

Of course, that assumes that Trump had to act that way. That he had to turn a listening tour with a grieving mother into this rhetorical back-and- forth, leaving her with the impression she had. An impression she has every right to share in a free society.

Now, that's the view, tonight, of one mother, one civilian, on an important story and important topic on, of course, her own family's well-being. But sometimes, there are other people concerned about the nation's direction, and they begin to ask the broader question outside of any individual story we could tell you tonight.

They say, wait a minute, is all of this getting normalized? Is it getting worse?

There's an answer and a new assessment from the former CIA Director, John Brennan. You may remember him working both with Barack Obama but three other presidents as well.

Now, this is interesting. He's published his first op-ed since leaving government, and it's a statement worth reading at some length tonight.

The esteem with which I held the presidency was dealt a serious blow when Trump took office, Brennan writes. Many have condemned by public criticism of Mr. Trump, arguing that as a former CIA Director, I should bite my tongue.

My criticisms, however, are not political. I have never been and will never be a partisan, he writes. I speak out for the simple reason that Mr. Trump is failing to live up to the standards that we should all expect of a president.

As someone who had the rare privilege of directly serving four presidents, I will continue to speak out loudly and critically until -- and here are the <u>words</u> he chooses -- until integrity, decency, wisdom, and maybe even some humility return to the White House.

I don't think you can read something like that from someone like him without seeing it for what it is as these stories grind on. It is a stern call to the rest of us for perspective, for a type of resistance -- for whatever that means to each person -- from a self-declared public servant who, as I mentioned, served both parties.

A person who clearly has put public interest and personal risk, by the way, over profit, but also a person who found that at this moment in history, even if, yes, Donald Trump didn't win more votes than the alternative, he won enough support in the Electoral College for a mandate to pursue whatever this is -- Trumpism -- and to now test whether this indeed will become the new normal.

We've gathered some very special guests to discuss a big question here. Jennifer Rubin, a conservative opinion writer at "The Washington Post," Betsy Woodruff, a politics reporter at "The Daily Beast" -- both MSNBC contributors -- and Jonathan Alter, an author and MSNBC political analyst and, as well, a columnist at "The Daily Beast."

Thanks to each of you. It is Friday night and we are starting big picture.

And, Jennifer, I put the question to you, given all the stories that we've been discussing and covering and this call to assess both whether this is becoming normal and what to do about it.

JENNIFER RUBIN, OPINION WRITER, THE WASHINGTON POST: I hope it is not becoming normal, and I think some of the institutions that are designed to check the President -- be it the independent press, be it the courts, be it the public (ph) civil service -- are, to one degree or another, holding.

But let's be clear, he is getting worse. We see what I describe today as three categories of outrages that we see on a daily basis.

The first are really fundamentally illegal things or attacks on democratic norms. The second would be policy outrages such as separating children from their parents at the border, even when they present themselves as is required for the status of political refugee. And the third is the moral outrages of the constant lying, of the constant whining, of the constant racism.

And we see these every single day in one form or another, and it is exhausting for the American people. It is a dizzying experience. But I think, like Mr. Brennan, we all have an obligation to be on our toes, to be watching, and to be very, very critical of this president so long as he behaves in a manner that is totally unlike any other president.

MELBER: Jonathan?

JONATHAN ALTER, COLUMNIST, THE DAILY BEAST: So I think that we need to move from essentially wringing our hands over what's happening to our country to doing something about it. And fortunately, we have an opportunity.

And I agree with Tom Friedman's column in "The New York Times" this week that it's all hands on deck. We all know what we have to do. We have to have at least one chamber of Congress in Democratic hands to check Trump and repair these guardrails that he's burst through.

And I, you know, could be wrong about this, but I think many of the people watching tonight, if you ask them what are the flippable districts in your state, they wouldn't really know. They're very upset about what's going on in the country, but they have not yet fully engaged in what they can do, either with their campaign contributions or with their time and effort, to try to make sure that we provide some check on Donald Trump.

MELBER: Betsy, I'm curious about your view, specifically in your area of expertise, the Russia probe. And you've been covering the ins and outs and I think viewers have seen a lot of that.

Here was Eric holder, who you know and I think viewers know is a very measured speaker most of the time, laying out today what he thinks is happening.

(BEGIN VIDEO CLIP)

ERIC HOLDER, FORMER ATTORNEY GENERAL, DEPARTMENT OF JUSTICE: And I think it's unprecedented. I've never seen anything like that, where a president is going after the Attorney General, going after the Justice Department, going after the FBI.

This is going to have a long-term negative impact, I think, on how these great institutions are perceived by people in this country. There's going to -- work is going to have to be done to undo the damage that this president is doing for his own personal interests.

(END VIDEO CLIP)

MELBER: Betsy?

BETSY WOODRUFF, POLITICS REPORTER, THE DAILY BEAST: I think one of those areas in which the President has denormalized American civic life the most is his relationship with the Justice Department, the relationship between the White House and the DOJ.

My official beat is the DOJ and I started covering it with the new administration, so I'm comparatively new to the beat. And one thing that I kept hearing -- that I keep hearing from jump street as soon as I started covering it, from experts, from former DOJ officials, from people who love the institution and are very close to it, has always been this is not normal.

It's not normal for the DOJ to take the steps that it's taking, especially as Jennifer mentioned as it regards prosecuting the parents of children who bring those children to the United States. And it's also not normal for the

President to try to pressure the Justice Department into basically changing the way that it enforces the laws to favor himself and his friends.

That's what this president has been doing. That's what he's done with the Russia probe. He admitted as much to Lester Holt <u>last</u> year when he said he fired James Comey who, as FBI Director, was part of the Justice Department structure. He admitted that he fired James Comey because of the Russia investigation.

And that breakdown of sort of the normal separation, the normal, you know, courteous distance between the White House and the Justice Department, is one of the changes that's the most significant.

It's also one that Congress is going to have some of the most trouble trying to reverse. It's very hard to sort of renormalize that relationship when the President has been so confident and strident about trying to denormalize it.

MELBER: Go ahead, Jonathan.

ALTER: I was just going to say that can be done. I'm old enough to remember when John Mitchell was Attorney General of the United States, and the Justice Department had been totally compromised and corrupted by President Nixon.

And, you know, when President Ford came in, he appointed the president of the University of Chicago, Ed Levi, a wonderful Attorney General, and he was able to do that repair work that was necessary.

But in order to get people like Attorney General Levi in place and others who took this corrective action, you needed to have the political change. And I still feel like there's just this missing connective tissue between our trying to use the press and other institutions of government to hold this president accountable and the political means that are required. So that's all about November.

MELBER: Jennifer?

RUBIN: Yes, I think it is about November. I think Democrats have some reasons to be very optimistic. There's been a perception -- I don't think quite correctly -- that things have narrowed more recently in part because the President's approval numbers are up.

But I think when you look at the shift in the electorate, anywhere from five to nine to 11 points, you see an electorate that is very hungry to check the President. You see results from the special elections in 2017. You see the primary turnout which is astronomical for Democrats in comparison to Republicans.

But they cannot rest on their laurels. Jonathan is absolutely right. Any of these repair mechanisms -- and remember we had them after Watergate, not only with respect to the Justice Department but with respect to the IRS, in respect to the oversight through the Church Commission of the intelligence community -- all of that depends upon who controls Congress. And until that changes, we're going to lurch from disaster to disaster and outrage to outrage.

MELBER: And, Jennifer, when you look at the Republicans in the House, I mean they have largely been rewarded by the efforts to join and undermine the Mueller probe. I mean they`ve gotten more done. There`s a lot of praise I hear in Washington for Rod Rosenstein not joining a criminal enterprise.

RUBIN: Yes.

MELBER: Well, it seems like a low bar for a senior DOJ official.

RUBIN: Yes.

MELBER: And by the way, he has personal interest reasons for that. I mean you can have criminal exposure as well if you go along too far.

But other than that low bar, it seems that if you look at what Nunes and others have done, although it hasn't all worked at once, it slowly, over time, has been grinding down the DOJ, putting pressure on the I.G. probe, putting pressure on people who, like Andy McCabe, may become witnesses against Trump and in the obstruction case.

RUBIN: Absolutely. This has been an all-out smear and all-out attempt to undermine the criminal justice system which in our country, unlike third- world dictators, is supposed to operate in a relatively nonpartisan way, in an apartisan way.

You are not supposed to have the President of the United States ordering the Attorney General to provide briefings to his cronies in Congress as was done <u>last</u> week. You're not supposed to have the Attorney General and other senior members of the administration taking pot shots at the FISA courts, for example.

This is all extraordinary and utterly inappropriate. And I will say there is one person who is primarily responsible other than Trump himself, and that is Paul Ryan.

He has completely fallen down on the job. It's his obligation to be the Speaker not just of the Republicans but of the House, which is a co-equal branch of government. He has left Nunes in place, he has been a mouse when it comes to talking back to the President or standing up for American values, American democratic institutions, and this is on his head.

He may be retiring, but when the voters get into the booth, they should remember what is key is who controls the body. You may like Joe Blow, your particular representative. He may be a great guy, but if he's going to vote for a Republican Speaker, you're not going to get any change.

You have to look at who their first vote is for. That's the most important vote. In some respects, the only vote that counts and that's for their leaders.

MELBER: My thanks to Jennifer and Betsy. And stay with me, Jonathan Alter. As always, thank you for being here tonight.

ALTER: That's all right.

MELBER: Coming up, there is some breaking news. Donald Trump lowering expectations for that North Korea summit, but "The Wall Street Journal," in a Friday night story, reporting that Trump is moving forward on a potential summit with, guess who, Vladimir Putin. We just got that story and that news after the break.

MELBER: Friday night news, Donald Trump moving towards new outreach to Vladimir Putin. And why is this breaking on a Friday night? We can't say for sure, but "The Wall Street Journal" is reporting late Friday that the Trump administration working on a potential Trump-Putin summit.

Jon Huntsman, the U.S. ambassador to Russia, has been back in Washington, helping arrange this Trump-Putin meeting. The summit would be focused on specifics, not grand bargaining, according to an official. Those things need to be negotiated.

Now, Trump also announced today that that on again/off again June 12th summit with North Korea leader Kim Jong-un? Back on. The decision comes after Trump met with Kim Jong-un's right-hand man -- this is the former spy chief, Kim Yong-chol -- now in a meeting at the Oval Office that *lasted* basically over an hour.

Now, Kim Yong-chol traveled to Washington to hand deliver this letter to President Trump. This is on behalf of Kim Jong-un. And President Trump then telling reporters at the White House he'd read the, quote, very interesting letter. Then he said this.

(BEGIN VIDEO CLIP)

DONALD TRUMP, PRESIDENT OF THE UNITED STATES: I haven't seen the letter yet. I purposely didn't open the letter. I haven't opened it. I didn't open it in front of the director.

I said would you want me to open it? He said you can read it later. I may be in for a big surprise, folks.

(LAUGHTER)

(END VIDEO CLIP)

MELBER: You know, talking about the letter. Now, what is in the letter? We're here to try to report that out, even if the President wasn't so forthcoming. But a foreign government official familiar with it has basically said that it was, quote, fairly basic, expressing the North Korean leader's interest in meeting without making any significant concessions or threats.

So North Korea didn't promise denuclearization, but it's still getting this potentially historic meeting with a U.S. president.

Now, here is John Brennan, the former director of the CIA, discussing the view on the June 12th summit from North Korea.

(BEGIN VIDEO CLIP)

JOHN BRENNAN, FORMER DIRECTOR, CENTRAL INTELLIGENCE AGENCY: He wants to be seen as the international equivalent of the President of the United States. He has clamored for this world stage spotlight.

I don't see anything that he has given so far, but yet we have given what I think is a premier prize, which is a stage, an international and very public stage, with the President of the United States.

(END VIDEO CLIP)

MELBER: I'm joined now by Evelyn Farkas, senior fellow at the Atlantic Council and a former deputy assistant secretary of Defense; Tom Nichols, a professor of national security affairs at the U.S. Naval War College; and Jennifer Rubin from "The Washington Post" back with us.

Evelyn?

EVELYN FARKAS, NONRESIDENT SENIOR FELLOW, ATLANTIC COUNCIL: Yes, Ari.

MELBER: It's Friday night. I'm trying to make sense of what this is.

FARKAS: This is --

MELBER: It was on, it was off. It's on again today. Diplomacy is not like dinner plans, but at what point do the plans feel less real if they are on and off again too much?

FARKAS: Well, this is the problem. And I'm smiling even though I really want to be jumping out of my skin because the President is making a charade of diplomacy. He's almost making light -- well, he is making light of our adversaries. He's turned everything upside down.

Today is the day when he declared, by launching these tariffs against our allies -- the Canadians, the Mexicans, the Europeans -- that they are a national security threat, at the same time that he's praising and practically fawning over the North Koreans.

And now we hear these rumors about him wanting to meet with Putin, which is not, you know, surprising. But, again, everything is upside down. You're not supposed to be overly flattering, praising your adversaries. You're supposed to keep the U.S. national security interest in mind and be hard headed.

Of course, you can be charming, but you really need to keep first principles in mind. And that is, what is the U.S. objective? What are we getting for the meeting? What are we going to get at the end of the road?

MELBER: Is it possible, Evelyn, that, even if sloppy, this could still land in a good place if they pull off the meeting and it leads to some sort of nonmilitary-type road to getting things that the U.S. wants?

FARKAS: Well, it depends what the nonmilitary road is. So if they have a meeting, Ari, and they agree that they`re - the North Koreans agree to at least freeze their nuclear program and to a long-term process, as the President -- the President now understands this is not going to happen overnight, so he`s a bit more realistic, though hopefully not letting the North Koreans off the hook.

So if the North Koreans say we're going to freeze, ultimately will get rid of our nuclear weapons at some point in the future, that's certainly better than fire and fury. But what do the North Koreans want in exchange?

If what they want is a relief from the sanctions, they're already getting that, from what I'm reading in the newspapers. There are already ships now going from China and Russia to North Korea at a greater pace, so -- but they'll want more economic assistance. Our president has basically promised that, together with the allies.

But what are the other things the North Koreans want? We have to hold tight. We have to maintain our alliance, our allegiance to the Japanese who want answers on the 12 abductees. And then, of course, we have to make sure that the security of the region is maintained.

MELBER: You know, Tom, another big piece to all of this, when it comes to North Korea, is their economic problems and whether they`re going to get money. I don`t know if you know the term "kamas" which refers to when there`s a lot of money involved, but a lot of these discussions come back to the kamas.

And so let me play for you, when that question was posed to President Trump today, what he said, including his apparent boast that he didn't have to buy the hostages.

(BEGIN VIDEO CLIP)

UNIDENTIFIED FEMALE: Did you talk about sanctions?

TRUMP: Yes, we did. We talked about it. Yes, they asked about sanctions.

UNIDENTIFIED MALE: Is maximum pressure over?

TRUMP: Excuse me?

UNIDENTIFIED MALE: Is maximum pressure over?

TRUMP: It's going to remain what it is now. I don't even want to use the term "maximum pressure" anymore because I don't want to use that term because we're getting along. You see the relationship.

We're getting along, so it's not a question of maximum pressure. It's staying essentially the way it is. At some point, hopefully, a deal -- for the good of millions of people, a deal will be worked out.

Well, what's going to happen is South Korea will do that. No, I don't think the United States is going to have to spend. I think South Korea will do it. I think China -- I think, frankly, China will help out. I think that Japan will help out.

No, I don't see the United States spending a lot of money. You know, we have three hostages. How much money did I spend for the hostages?

(END VIDEO CLIP)

MELBER: Tom, how much money did he spend for the hostages?

TOM NICHOLS, PROFESSOR, U.S. NAVAL WAR COLLEGE: Well, in what it cost us in terms of prestige and diplomacy and process, it was pretty expensive. I mean one of the things that this proved is that hostage taking works.

And the North Koreans have really played this masterfully. They've gotten just about everything they want out of this and they've given up, well, nothing, frankly. Other than to give us some rhetorical promises about what they might think about perhaps talking about one day.

As far as I'm concerned, this -- and, again, I don't represent the government. My personal view is that this is mostly over. All that's left now is the handshake that Kim Jong-un really wants for a propaganda victory, but the rest of it is just theatrics at this point.

MELBER: Jennifer?

RUBIN: If Barack Obama had been doing every single one of the things Evelyn walked us through, slapping tariffs on our allies, yucking it up in the Oval Office with the spy chief for the North Koreans, fawning over a letter he hasn't read, people like Tom and I would be having a fit.

Tom and I are still having a fit but, unfortunately, our friends on the right side of the aisle, on the conservative side of the aisle, have suspended all logic, suspended all judgment, and think this is now all great because Trump is doing this.

MELBER: Well, Jennifer, let me cut in and ask you two questions on that. Number one, are you suggesting that Barack Obama was a better president than Donald Trump?

RUBIN: Oh, you're tempting me.

MELBER: And number two, tie this diplomacy all back to the other big news I mentioned at the top, that you've got the rumors confirmed here basically by "The Wall Street Journal" that there's a move for a Putin summit.

RUBIN: I will say this. President Obama did not attack our democracy, did not attack democratic institutions, was not a racist, was not a misogynist, did not attempt to undermine an independent judiciary, and those are the most fundamental requirements of the presidency. So in that respect, yes, Donald Trump is a worse president.

He also -- Barack Obama, frankly, didn't begin an entire process of alienating every ally we could think of. He had his faults, to be sure.

With regard to Putin, this is also a mystery. What has Putin done to deserve a summit with the President of the United States? Are we going to give out more concessions?

And this has been my concern all along with putting Donald Trump in a room with Putin or putting Donald Trump in a room with the North Koreans. He is so desperate to have a historic meeting, a win that he can tout, goodness knows what he's going to give up in those meetings. And I would hope, pray, that Mike Pompeo is there with some masking tape and a sharp elbow to shut him up before he starts giving away the farm.

The worst outcome is not that we would not have an agreement because, of course, we're not going to have agreement. His own CIA tells him that the North Koreans have no intention of denuclearizing as we understand it. My bigger concern is what he is going to give up, what allies he's going to undercut, and how much of a disadvantage we'll be at after he comes out of those meetings.

MELBER: Tom, final thought from you, and speak, if you want, to Jennifer's suggestion that Mike Pompeo could use masking tape to silence the President.

NICHOLS: Well, I can't imagine what this summit is about. We've seen this movie. It happened once in Europe, and the result was that we insulted our NATO allies. We took Vladimir Putin's <u>word</u> for it that he really meant no harm at all to our elections and our institutions despite the view of the entire intelligence community.

You know, when we talk about giving yet more concessions to Russia, how many more can there be? What would be the point of this summit besides yet more humiliation at the hands of Vladimir Putin? I don't even understand why anybody thinks this is a good idea.

MELBER: Tom Nichols, Jennifer Rubin, and Evelyn Farkas. Thank you, each of you, for the lot of important national stories here tonight.

Coming up, Bob Mueller's team is now looking into a close friend of, guess who, Jared Kushner.

MELBER: Special Counsel Bob Mueller now looking into a close friend of Jared Kushner. This is all about the investigation of potential foreign influence or broken laws that relate to Trump's presidential campaign.

Now, Rick Gerson, according to NBC News, was in the Seychelles January 2017 and had a meeting with the crown prince of Abu Dhabi. The meeting just to be around the same time the Trump associate, Erik Prince, was also in the Seychelles for that secret meeting with Russian and Emirati officials, including the crown prince.

Now, Mueller has gathered evidence that the meeting was an effort to establish a, quote, back channel between the incoming administration and the Kremlin, according to "The Washington Post."

Now, Gerson's spokesperson says, no, Mr. Gerson was on vacation in the Seychelles prior to the meeting that was referenced. He knew nothing about the meeting.

Joining us now is Ken Dilanian, intelligence and national security reporter for NBC News, who helped break this whole story. Betsy Woodruff, back with us.

Now, Ken, do you ever vacation in the Seychelles, first of all?

KEN DILANIAN, NBC NEWS INTELLIGENCE AND NATIONAL SECURITY REPORTER: I would love to someday, Ari, but I haven't yet.

MELBER: So look into it. Maybe you could -- you know, maybe you can do some reporting and add on some couple days at the end. I don't think you need to be as great an expert reporter as you are in this to kind of question the explanation, but lay it all out for us.

DILANIAN: Yes. As you said, Gerson's spokesperson is saying that he was there on vacation. He was not even aware of this secret meeting that George Nader, the Lebanese American businessman who was there, is telling Mueller was actually a back channel.

But he was also -- Mr. Gerson was at a separate meeting a few weeks earlier at the Four Seasons in New York, which was attended by Steve Bannon, Michael Flynn, as well as Nader and some of these other characters.

And so, look, the bottom line here, Ari, for people trying to follow this at home is Mueller appears to be investigating whether the United Arab Emirates essentially piggybacked on the Russian election interference effort and whether, after Trump got elected, they took steps to broker kind of an arrangement between the Russians and the Trump team and whether they sought to also influence the Trump administration and also potentially the Saudis.

And when you look at what the Saudis and the Emirates have gotten out of the Trump administration, Ari, it's quite a lot. You know, Trump withdrew from the Iran nuclear deal, which those countries hated. He also backed them --

MELBER: But he --

DILANIAN: Go ahead.

MELBER: He campaigned against that anyway.

DILANIAN: Yes, he did. He also backed them, though, very strongly in their blockade move against Qatar. This is a country where the United States has a very important air base, but Trump had no problem siding with the Saudis and the Emirates in their dispute with Qatar.

MELBER: Well, walk us through --

DILANIAN: And so, look, that's what Mueller appears to ask here.

MELBER: Walk us through how this works in that theory of the case, right? I mean one theory is that there was a vacation and a lot of coincidences and nothing bad happened. And we've reported that theory.

DILANIAN: That's right.

MELBER: Another theory of the case is there were shenanigans. But how does it work? Is it some sort of bribery-collusion pile-on where they get wind of what other allies on their side of the ledger are doing and they say, oh, this looks like an effort or way to get influence with these relative novices who might end up in charge of U.S. policy? How does this actually play out?

DILANIAN: You know, so we're obviously into the realm of informed speculation, Ari, at this point. But don't forget, "The New York Times" has also reported --

MELBER: That's what I do, baby.

DILANIAN: OK, and let's do it. "The New York Times" has reported, and NBC News has not confirmed, about another Trump Tower meeting where the Emirates -- where Erik Prince of Blackwater fame who was also at this Seychelles meeting was there with the Emirates and George Nader. And they offered, essentially, to help the Trump campaign.

And so the question here is, were they helping during the election? Did they step in after the election to try to broker a back channel so the Russians could, essentially, seek to extract the concessions that they were looking for in exchange for the help they provided the Trump team during the election? These are all questions that we think the Mueller team is asking.

MELBER: Betsy?

WOODRUFF: I think one thing that's really important about this story that is sort of buried several paragraphs down is that there was a separate counterintelligence investigation specifically looking into the influence operations that the Emirates had in place going into the 2016 presidential election.

That's really important because what that means is that this is no longer just the Russia investigation. This is the foreign influence investigation.

Another piece of this that's really important is the extent to which this is likely to raise temperatures in the White House. One thing I can tell you is that the single biggest concern in the White House, in the West Wing, over the course of this Mueller investigation has been what it could mean about Jared Kushner, his dealings, and his finances.

The way that he conducted himself during the transition period, during the early days of the presidency, and the way that his family business dealings and troubles have made him vulnerable potentially to foreign influence is something that has caused a lot of heartburn. And stories like these, the connection of one of his friends to these very controversial, questionable meetings, is something that's likely causing his legal team to really sweat right now.

MELBER: Right. Although, on the other hand, Betsy, even if that's the case and there's that nervousness and there is a lot of apparent exposure or coincidences, Jared Kushner brought a kind of unrivaled set of international and diplomatic and military experience to the job.

WOODRUFF: Yes, exactly. He really brought in the big guns when he took over literally everything.

MELBER: Right, so there's -- you know, you got to -- you make these balancing decisions in government.

Betsy Woodruff and Ken Dilanian, thanks for joining us in a very interesting story with a lot of twists and turns.

DILANIAN: You bet.

MELBER: Coming up, some allies furious about what they call a dumb decision by Donald Trump to launch a new trade war. Canadian Prime Minister Justin Trudeau expressing his outrage. We'll show that to you, next.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Canada and the U.K., some of our closest allies, are complaining long and loud about these new tariffs. What do you say to them?

TRUMP: They're our allies but they take advantage of us economically. And so I agree, I love Canada, I love Mexico, I love them. But Mexico is making over a hundred billion dollars a year, and they're not helping us with our border because they have strong laws and we have horrible laws.

But I think we have a good chance of doing some great trade deals that will make America great again, right? That's what we're doing.

(END VIDEO CLIP)

MELBER: Donald Trump moving forward today on his trade policy. These are new tariffs on imported steel and aluminum from Canada, Mexico, and Europe. Now, they're punching back with tariffs on billions of dollars of American goods.

And this kind of international economic sparring is complex. Trade wars can, of course, put millions of American jobs in the balance. Each move sets up a delicate and high-stakes dilemma which is why the best place to carve out a strategy is, of course, on Twitter.

Trump tweeting today -- Canada has treated our agricultural business and farmers very poorly for a very long period of time. Highly restrictive on trade. They must open their markets and take down their trade barriers. They report a really high surplus on trade with us.

Now, putting style aside, we also have to tell you tonight that claim is false. The U.S. reports a trade surplus with Canada.

Now, here's how Canadian Prime Minister's -- excuse me, the Canadian Prime Minister reacted in an interview today with Chuck Todd.

(BEGIN VIDEO CLIP)

JUSTIN TRUDEAU, PRIME MINISTER OF CANADA: The idea that, you know, our soldiers, who had fought and died together on the beaches of World War II and in the mountains of Afghanistan and have stood shoulder to shoulder in some of the most difficult places in the world, that are always there for each other, somehow -- this is insulting to that.

The idea that the Canadian steel that's in military vehicles in the United States, the Canadian aluminum that makes your fighter jets, is somehow now a threat?

The fact that -- I mean, next week, we're hosting the G7 Summit of world leaders. And the airfield, the military base that Air Force One is going to land on was put there in World War II to protect an aluminum smelter that was providing to the military effort.

The idea that we are somehow a national security threat to the United States is, quite frankly, insulting and unacceptable.

CHUCK TODD, MSNBC HOST: So what do you feel as if the President wants from you in putting these tariffs out there?

TRUDEAU: I don't know.

TODD: You don't know what he wants here? You don't know --

TRUDEAU: I know --

TODD: Is this about --

TRUDEAU: I know --

TODD: Is this about a NAFTA decision?

TRUDEAU: Well, he --

TODD: You don't have an idea what he wants?

TRUDEAU: The reason I don't know is because he has talked about the fact of this -- he is worried about trade surpluses, trade deficits around the world. Well, they have a \$2 billion surplus on steel with us, so it's not like the trade is imbalanced against the U.S. favor on this one.

(END VIDEO CLIP)

MELBER: I'm joined now by Jason Furman, a former chairman of the Council of Economic Advisers under Obama, current professor of the practice of economic policy at Harvard Kennedy School. Good evening.

JASON FURMAN, FORMER CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS FOR PRESIDENT BARACK OBAMA: Good evening.

MELBER: It seems like a lot of different experts, including the President's own economic advisor, Larry Kudlow, say these kinds of tariffs are bad. In plain English, why are they so widely reviled?

FURMAN: They're bad on both ends. When we put a tariff on imported steel, it means that all of our steel-using industries -- and there's 40 jobs in those for every job in steel -- are disadvantaged. And then other countries reply and they put tariffs on American exports, and that hurts those industries too.

MELBER: When you say --

FURMAN: So it's bad for consumers, bad for workers.

MELBER: When you say disadvantaged, you mean we pay more here?

FURMAN: It's bad for consumers because we pay more. It's bad for our workers because there's a lot more workers in industries, like auto industry, that use steel than there are in the industries that produce steel. And then there's all the industries that are going to face new tariffs from Europe, from Canada, from Mexico, that will be hurt as well.

MELBER: So, again, to keep it straight up, it seems like there isn't a real factual basis to say this is a good thing. That the only remaining argument would be this is a bad thing that could lead to a good thing, the negotiation argument that this will somehow get something out of the other side. What's wrong with that?

FURMAN: So the question is, what is it that the United States wants to get? I think of all the trade issues in the world right now, the one that is the most legitimate is China really does flout a number of rules on issues like intellectual property.

And so what we should be doing is building an alliance to maximize our leverage against China. And some of the countries we'd want help with to get what we want done in China -- with China are countries like Canada and the European Union. But instead, we've gone ahead and alienated them.

MELBER: Right.

FURMAN: So we're sort of firing off at everyone simultaneously, not focused on any concrete goal.

MELBER: So let's talk a little Canadian trade deficit. It's Friday night. I know that's your kind of topic, right? There seems to be --

FURMAN: Absolutely.

MELBER: There seems to be a thing here where Donald Trump does lie a lot and gets caught a lot. And then he spins a lot. But there's this other problem that we see particularly on these kind of issues where he seems to genuinely not know the facts, which, of course, is damaging but different than lying.

I wonder, given your expertise, what you think of this. I'm reading one thing here from a March fundraiser.

Donald Trump says -- Trudeau came to see me. He's a good guy. He said, no, we don't have a trade deficit with you. We have none, Donald, please. He's so proud.

I said, wrong, Justin, you do. Quote, I didn't even know. I had no idea.

I'm going to read that again. From the President -- I didn't even know. I had no idea. I just said, you're wrong.

(LAUGHTER)

FURMAN: I mean I don't know what to say. First of all, trade deficit/surplus isn't a good way to judge economic success.

MELBER: Sure.

FURMAN: There's a lot of benefits to imports, there's a lot of benefits to exports. Things move around a lot.

MELBER: But I mean isn't this --

FURMAN: But I think --

MELBER: Isn't this a little crazy?

FURMAN: Yes.

MELBER: I mean, this is a little crazy, right?

FURMAN: No, in this particular one --

MELBER: He is bragging about not knowing it.

FURMAN: Right, but --

MELBER: And now, today, we're here and he's out there, you know, treating it again like it's a thing.

FURMAN: Yes. And here's something I'd recommend he read. There's something called the economic report of the President. It was put together by his own Council of Economic Advisors, my successors, and it talks in that volume about the trade surplus that we run with Canada. So he could see it in his very own documents if he wanted to.

MELBER: But is your view of this that he's genuinely confused?

FURMAN: I have -- you know, this is a much deeper question than an economist could possibly answer.

MELBER: Doesn't that apply to most questions?

(LAUGHTER)

FURMAN: The psychology of his veracity is a -- yes, an economist cannot -- yes.

MELBER: I guess, economically, that leads to the <u>last</u> question for you. When is it too soon or the right time to say you love another person? Do you have an answer to that, economically?

(LAUGHTER)

FURMAN: You know, I'm not sure that I'm loving his trade policies, I'll leave it at that.

MELBER: Jason Furman with -- a smart man with all of the answers tonight. We appreciate you walking us through some of it. It's confusing stuff, at least to some of us over here. Thank you, sir.

FURMAN: Thank you for having me.

MELBER: Absolutely.

Now, coming up, there's a new report today, rogue spying devices have been found right around the White House. Malcolm Nance is going to explain the significance, next.

(BEGIN VIDEO CLIP)

TRUMP: Russia, if you're listening, I hope you're able to find the 30,000 e-mails that are missing.

(END VIDEO CLIP)

MELBER: Russia may be listening, and not just to those kinds of public comments. Look at this headline today from "The Washington Post" -- sophisticated cell phone spying found near the White House according to U.S. officials. "The Post" reporting Department of Homeland Security program discovered evidence of the surveillance of ISIS called IMSI- catchers as part of a federal testing *last* year.

The discovery bolsters years of independent research suggesting the foreign intelligence agencies use sophisticated interception technology to spy on officials working within the hub of federal power in the nation's capital.

Experts in surveillance technology say that these IMSI-catchers, sometimes known by one popular brand named, Stingray, are a standard part of the toolkit for many foreign intelligence services, including geopolitical rivals like Russia and China.

I'm joined now by Malcolm Nance, an MSNBC counterterror and intelligence analyst and author of "The Plot to Hack America."

What does this story mean and do you see it relating to Russia?

MALCOLM NANCE, MSNBC COUNTERTERRORISM AND INTELLIGENCE ANALYST: Well, the significance of this story, because it's been reported on before, is that now we've gotten confirmation through the Congress that

there may be very sophisticated Stingray technology. These systems that actually capture your cell phone signal by pretending to be a cell phone tower and can downgrade your signal and then intercept your voice communications.

If it's operating near the White House, in some of the buildings or hotels out there, then what you have is a situation where Donald Trump's relatively unsecured cell phone and texts are being intercepted and monitored outside what is known in the public realm.

MELBER: If that's possible, given your experience inside the government, I mean, isn't there some way to escalate and thwart that and better fortify the President's phones?

NANCE: Well, first off, we certainly can do electronic countermeasures against these systems. But what generally happens is that you track them down, and you realize that they are inside a foreign embassy or a building which is the sovereign property of another nation. You can try to jam those signals, but then you start jamming cell towers in your own area.

The easiest thing to do is to give the President a secure piece of communications, which is tempest controlled so that it's not emitting signals all over the place and which the National Security Agency can make sure that other companies -- countries, I'm sorry, can't break the encryption. And then he can go about his business.

Donald Trump is absolutely against that, from what we understand.

MELBER: And so is this business as usual to some degree? Because it sounds like this was going on, this kind of project.

NANCE: Oh, well, yes, this is business as usual. This is just old school spying. In the old days, it would have been a radio, trying to plant bugs, things like that. But now with the prevalence of cell phones, the easiest way to trick a cell phone is to make sure that people believe they`re talking in a secure space and give them a tower that is actually inside a foreign embassy full of spies.

MELBER: Malcolm Nance, thank you, as always, for joining us.

NANCE: My pleasure.

MELBER: Tonight's *last word* is next.

MELBER: And now, for some good news. Philadelphia teen Richard Jenkins spent part of his childhood homeless. He was living in a shelter, and he was known as an avid reader. So much so other kids nicknamed him Harvard. So maybe you could see where this is going, and here's how he did it.

Richard joined the Mighty Writers after school program. And he got into Girard College, a full scholarship boarding school, specifically for students who came from single-parent families with limited resources.

And this month, Richard Jenkins now graduates as valedictorian. And this fall, yes, he is off to Massachusetts, a member of Harvard University's class of 2022. He has earned a full scholarship and says he is interested in studying computer science.

That's a story we wanted to share. Now, thanks for watching THE LAST WORD tonight. I am Ari Melber.

If you want to catch my show, it's every weeknight, 6:00 p.m. Eastern, "THE BEAT WITH ARI MELBER" on MSNBC. If you check us out Monday, legendary reporter Seymour Hersh is with us, as well as Michael Eric Dyson, to talk about his new book.

THE 11TH HOUR WITH BRIAN WILLIAMS starts now.

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