

Trade Disputes Between U.S. And China Continues; Stock Markets Reacts On The China-U.S. Trade War; IG Michael Horowitz Is Being Grilled Today During The House Hearing On The Biases At The FBI Under Comey's Leadership; President Trump To Meet With GOP Lawmakers Regarding Illegal Immigrants Being Separated From Their Family Members At The Border; The Pentagon Said That 200 Sets Of American Servicemen's Remains In North Korea Are Expected To Be Transferred In The Next Few Days Back Home To The United States; President Trumps Meets With House Republicans To Sort Out A Bill Regarding Separation Of Families On Immigration; DOJ Inspector General Michael Horowitz Testifies On The House Probe On The Clinton E-Mail Investigation; GE Booted Out Of The Dow Jones Industrial Average; U.S. And Asian Stocks Take A Hit After President Trump Threatens \$200 Billion Tariffs On China Goods; Shareholders Calling On Amazon To Stop The Sale Of Facial Recognition Tech To Law Enforcement

Evening Edit (formerly Risk & Reward) EVENING EDIT 5:00 PM EST

June 19, 2018 Tuesday

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Section: NEWS; Financial

Length: 7697 words

Byline: Elizabeth MacDonald, Nicole Petallides, Edward Lawrence, Kayleigh McEnany, Liz Peek, Allie Stuckey

Guests: Melissa Armo, Mike Lee, Ford O'Connell, Kayleigh McEnany, Stephen Loomis

Body

(BEGIN VIDEO CLIP)

DONALD TRUMP, PRESIDENT OF THE UNITED STATES: China has been taking out \$500 billion a year out of our country and rebuilding China. I always say we have rebuilt China, they've taken so much. It's time, folks, it's time.

(END VIDEO CLIP)

ELIZABETH MACDONALD, HOST, FOX NEWS: President Trump saying it is time to deal with China and the problems with trade. And we got seesaw action on the Dow. It is turn around pumping up after a 400 plus point loss. White House trade adviser, look at this, Peter Navarro saying China has more to lose than the U.S., that's when the Dow started to go up and retrace.

Secretary of State Mike Pompeo really ripping into China at his speech yesterday, saying China is the most predatory economic government in the world, is committing what he said is, quote, "larceny." We'll dig into that one.

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And a new bombshell revelation from DOJ Inspector General Michael Horowitz, he is now saying they are looking at whether bias at FBI did lead to the start and the launch of the Russia probe. I'm going to play that you sound.

And this hour, President Trump will meet with House Republicans, he's trying to hammer out immigration compromise to address the controversy of separating families at the border.

Money, politics, we deliver the debates behind tomorrow's headlines. I'm Elizabeth Macdonald. The Evening Edit starts right now.

Let's get to your money first. Dow did tumble more than 400 points at its low, it retraced and closed down 287 points to end the day 24,700. Wiping out its gains for the year, the trade dispute heating up, the Russell 2000 that hit an all-time high, and so did Netflix. B.A., I think Caterpillar, 3M, Boeing, accounted for half the losses in the Dow.

Let's get to Nicole she's in the thick of the action on the big board. What's going on, Nicole?

NICOLE PETALLIDES, CORRESPONDENT, FOX NEWS: Hey, Liz. Well, to your point with the Dow dropping 287 points, that was 1.1 percent, that's the steepest drop that we've seen on the Dow Jones Industrial Average since late May. The sell-off was broad-based, and we did see some of the safe havens such as telecoms and utilities hold in the green but it was the materials and also the industrials that weighed like Boeing and Caterpillar.

And we also saw Dow, DuPont and United Technologies under pressure. Boeing dropped almost 4 percent, so they are weighted heavily on the Dow Jones Industrial Average.

That being said, take a look at Apple. Apple today had some news that when we talked about the tariffs and the trade worries, and that's really what was front and center, and that's why we saw the sell-off it finish down 1.6 percent at 185.69. But there was a report that Apple would not have to pay the tariffs for iPhones that were assembled in China, that was in the New York Times.

Starbucks, the late day news here after the bell, we're seeing Starbucks did say they're going to boost the dividend by 20 percent. They're closing 150 stores but the store sales going forward, the comp sales were going to be a miss, we're going to see a growth of 1 percent versus 3 percent. You know they have competition from Fox's and other hot coffee houses.

And I want to end on some of these highs. Look at this. Netflix, Amazon, pizza, you could see Domino's Pizza and the parent of the Fox Business Network, that will be 21st Century Fox, those are all hitting highs. Liz?

MACDONALD: Well, it's a good day when pizza hits an all-time high.

PETALLIDES: Yes.

MACDONALD: Nicole, thank you so much. Great stuff. Great to see you.

Let's get to Secretary of State Mike Pompeo he told the Detroit economic club that the Trump administration's tough rhetoric on China, that it is working, watch.

(BEGIN VIDEO CLIP)

MIKE POMPEO, UNITED STATES SECRETARY OF STATE: President Trump quintessentially understands that for us to achieve our foreign policy goals, we need strength here at home. If you look around, there have been those that have criticized some of the tariffs, but just ask yourself, would China have allowed America to do to it what China has done to America?

Chinese leaders over these past few weeks have been claiming openness and globalization. But it's a joke. Let's be clear. It's the most predatory economic government that operates against the rest of the world today.

(END VIDEO CLIP)

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MACDONALD: Senior White House economic aide Peter Navarro saying China has more to lose than the U.S. but that the U.S. and President Trump and Xi Jinping they do have a good working relationship.

Then let's a check of the numbers, China sent us \$505 billion in goods last year, we send them 130 billion. Despite this, China feels the numbers are on their side. Let's take it to the money gurus Mike Lee and Melissa Armo. So great to see you guys. I love having you in.

MELISSA ARMO, OWNER, THE STOCK SWOOSH: Great to be here.

MACDONALD: So, you know what, is this the buy -- I mean, here's the thing. Tell the viewer what you guys are doing? Are you buying on the dip? Is this a serious trade fight and it's going to break out, Mike? I'm going to ask the same of you, Melissa, what do you make of all this?

MIKE LEE, PRINCIPAL, INVESTMARK ADVISORY GROUP: Look, this is the umpteen time we've had a sell-off for a trade war and since the tariffs have been announced the market is up a little over 2 percent. Si, yes, I've been able to buy on some of these dips.

MACDONALD: What are you buying?

LEE: I like finance and big tax, I like all the big banks right now, I love them.

MACDONALD: What about you, Melissa, what's your take on all of this?

ARMO: My take on all of this is that the market does not like tariffs, and so it's had negative reactions and even though the negative reactions had been in the post and the premarket, like we open lower and then some days we've rally, we're still lower into the open and some days like today, we still close lower.

I don't consider that a placement to buy. I like to buy lament some.

(CROSSTALK)

MACDONALD: So, you're feeling--

ARMO: I want to see the strength come in and lift. When you see the word down in these after-hours, that's institutional selling that comes in. That's nothing to mess around with, because most of the people that are trading after those hours are serious players in the market, they're not little tiny traders, you got to take that seriously.

MACDONALD: That is an important point. By the way, just perspective, I mean, the Dow is now where it was at the end of around last year in January and its lost 1.5 percent today. Mike, maybe the Trump White House saying look, we're up from 18,000 levels, we've added 7 trillion in wealth, let's use some of that device to buy manufacturing jobs back?

LEE: Look, and I think the important thing to remember here is we're not interested in trade war, what we're trying to do is open the markets. The U.S. is the freest and fairest trader in the world, and so by putting these tariffs in other countries we're giving them a little taste on their own medicine.

You know, Trump has continually said if you don't like our tariffs, you drop yours and we'll drop ours, so we're just trying to open up other markets and then if China were to loosen their barriers of entry, drop some of their tariffs, it would ultimately benefit them in the long run.

MACDONALD: We hear from Wall Streeters all the time, that it's a shocking disgrace that we allow China to steal our Silicon Valley intellectual property for years built companies to compete with us. Is that your take on--

(CROSSTALK)

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ARMO: It is a shocking disgrace, and I can't believe companies put out with it but they are so desperate to do business in like Apple--

(CROSSTALK)

MACDONALD: To break into time, yes.

ARMO: -- in order -- they've done what they had to do in order to sell their products and information, there but they stole it. That's Trump's whole point. Trump is saying you know what, we're taking a hard line here and we're pushing back.

Him coming out right after he came out last week with a 50 billion in tariffs and now to announce this 200 billion which came out last night and that's what created the gap down in the market this morning, that's really taking it over the top.

MACDONALD: Are you worried? Are you worried?

ARMO: I'm not worried but--

(CROSSTALK)

MACDONALD: It's not a trade war, right?

ARMO: No, no, no. Well, China is saying it's a trade war now. That's what they came out with this morning.

MACDONALD: All right.

ARMO: But whether it's a trade war or not I think in the end--

MACDONALD: Are you worried?

ARMO: Not worried.

MACDONALD: Are you buying?

ARMO: No, because this is not the place to buy. Because--

(CROSSTALK)

MACDONALD: OK. Are you worried?

LEE: I'm not worried. Look, China needs the U.S. and U.S. needs China. They need us far more than we need them because they are an export country and we are an import country.

MACDONALD: We've got more to tax from--

(CROSSTALK)

LEE: Absolutely. But this works better. This works better if the two big boys can play nice in the sandbox.

MACDONALD: Yes. All right. You guys are great. Come back soon. We love having you on. Good stuff.

ARMO: Thank you for havingus.

MACDONALD: Thank you, Mike and Melissa.

Now coming up next, let's turn to President Trump, he is heading to Capitol Hill this hour to talk to House Republicans to hammer out a path forward for immigration.

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Let's get to Ed Lawrence, he's live in D.C. right now with the latest. Edward?

EDWARD LAWRENCE, CORRESPONDENT, FOX BUSINESS: Well, Liz, yes, I can tell you any minute the president is going to leave the White House to come right here to Capitol Hill, he's going to be talking to lawmakers on the House side, Republican lawmakers about the path forward on how to keep these families together related to immigration issues as they go through the process as well as enforcing those immigration laws.

Now one bill that's being considered is sort of a compromise, it has some Democratic support, it would provide a path forward to DREAMers, the so-called DREAMers for citizenship. It gives \$25 billion for border security that could include building a border wall it. It also allows those families to stay together during that immigration process.

Now another bill that's being considered and voted on this week will be less of a compromise, more of a conservative bill that opens the -- or does not open the door for those so-called DREAMers but it does keep families together going through that immigration process. Now the president will talk to Republican lawmakers here about both of those bills, however he says he wants a little bit more.

(BEGIN VIDEO CLIP)

TRUMP: What I'm asking Congress to do is to give us a third option, which we have been requesting since last year, the legal authority to detain and promptly remove families together as a unit, we have to be able to do this. This is the only solution to the border crisis.

(END VIDEO CLIP)

LAWRENCE: And the president going on to say that he's going to need some Democratic support. Democrats need to come help, come to the table and help solve this immigration issue together with Republicans.

Now Senator Chuck Schumer trying to throw it back on the president.

(BEGIN VIDEO CLIP)

CHUCK SCHUMER, (D) UNITED STATES SENATOR: We're here today to say, Mr. President, you should, and you must fix this problem. But if you don't want to change this cruel policy, at least admit it is your decision. Blaming others falsely is cheap, easy and dishonest.

(END VIDEO CLIP)

LAWRENCE: Now in the Senate, I can tell you, Liz, less than an hour ago, Senator James Lankford told me that he's co-sponsoring a bill introduced this afternoon with Senator Ted Cruz that is narrowly focused to just keep the families together going through the immigration process but it does not deal with any aspect of immigration which is something that's going to have to be dealt with. Liz?

MACDONALD: Thank you, Edward. Great to see you. Thanks for coming in.

Breaking news, up to 200 sets of American servicemen's remains are expected to be transferred from North Korea in the next few days back home to the United States. Now that's according to Pentagon officials.

This is after the summit with North Korea dictator Kim Jong-un President Trump said the process of returning remains would begin quickly. Now more than 7800 Americans remain unaccounted for from the Korean War. We'll stay on the breaking news story for you throughout the hour.

President Trump about to depart the White House to meet with House Republicans on Capitol Hill as Edward Lawrence just reported to get the immigration compromise. We'll bring it to you live when he departs.

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But first, Congressman Trey Gowdy he went nuclear on Inspector General Michael Horowitz on the I.G.'s second day of testimony. We're bringing in Republican strategist Ford O'Connell to react to the highlights that the bias at the FBI may have launched the FBI Russia probe. That's from the I.G., that's coming up after the break.

(BEGIN VIDEO CLIP)

TREY GOWDY, (R) UNITED STATES REPRESENTATIVE: They prejudge the outcome of the Hillary Clinton investigation before the investigation ended, and these exact same FBI agents and attorneys prejudge the outcome of the Russia investigation before it even began!

If prejudging the outcome of an investigation before it ends and prejudging the outcome of an investigation before it begins is not evidence of outcome determinative bias for the life of me, I don't know what would be. That is textbook bias.

(END VIDEO CLIP)

MACDONALD: Congressman Trey Gowdy really upset, really ripping into FBI bias in the second day of testimony with Inspector General Michael Horowitz, this was in Congress today. The I.G.'s report did find political bias in the FBI's probe of Hillary Clinton's e-mails, even FBI Director Christopher Wray said the discovery of anti-Trump text written by FBI officials could hurt the, quote, "viability of the Russia probe," and the I.G. said, quote, "We don't have confidence FBI official Peter Strzok acted free from bias."

Let's bring in Republican strategist Ford O'Connell. Ford, OK, the bombshell exchange that happened between Bob Goodlatte and the I.G. The I.G. then said yes, we are looking into whether -- let me get the exact verbiage for you -- political bias had an effect on the initiation of the Russia investigation. Your reaction to that?

FORD O'CONNELL, Republican STRATEGIST: Well, I mean, I agree with chairman Goodlatte and Trey Gowdy. Look, it's hard to believe if bias didn't affect the Clinton investigation, as many of the same people including Peter Strzok and Lisa Page who have enough of the Trump Russia probe, it's hard to believe that the same thing didn't occur there.

But again, I'm not really confident that they're ever going to find that, quote, "smoking gun," because that was not the mandate in the I.G. report for the Clinton e-mail investigation. Remember what an I.G. report and I.G. investigation is, it's a government product written by a bureaucrat to essentially protect the government.

MACDONALD: OK. Well, the I.G. now is revealing that the I.G. is looking into James Comey for potentially leaking classified info when he set up that media leak of memos he wrote about his talks with President Trump.

And watch this, here's something interesting for you, Ford. Congressman Trey Gowdy saying James Comey acted differently under President Obama than President Trump. Let's watch.

(BEGIN VIDEO CLIP)

GOWDY: When he lost confidence in the Trump Justice Department, he memorialized private conversations, he leaked them and he admitted he did so to spur the appointment of special counsel because he didn't trust the career prosecutors at the Department of Justice.

When he lost confidence in the Obama Justice department, he didn't make special memos, he didn't share them with his law professor friends. He didn't leak the information. He didn't lift a finger to get the special prosecutor instead he appointed himself FBI director, attorney general, special counsel, lead investigator and the general arbiter of what is good and right in the world according to him.

(END VIDEO CLIP)

MACDONALD: Your reaction to that, Ford?

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O'CONNELL: Well, I think this is great news for the Trump administration, essentially what they're saying is that James Comey's being investigated for mishandling classified information, and based on what has come out in this I.G. report about the fact that he was insubordinate and several other claims, it's going to be very, very hard for special counsel Mueller to bring an obstruction of justice claim against Donald Trump for firing James Comey. It seems it bolsters his case for doing so.

MACDONALD: Yes. And Comey is still a witness to the Mueller probe. Let's move on. President Trump about to meet with House Republicans to come up with an immigration compromise. Here's what the president said about Mexico earlier today.

(BEGIN VIDEO CLIP)

TRUMP: Mexico does nothing for us. You hear it here. They do nothing for us. They could stop it. They have very, very strong laws. Try staying in Mexico for a couple of days, see how long that lasts.

They do nothing for us and I see it through NAFTA. I see with the hundred billion dollars plus that they make on trade through NAFTA. One of the worst deals ever made by this country.

(END VIDEO CLIP)

MACDONALD: You know, there's bipartisan agreement, Ford, that it is wrong and immoral to separate children from parents and that Congress needs to act to fix the border. We know that Ted Cruz introducing legislation to end family separation.

Here's the thing, Ford. Republicans now fear their control of the House is at stake, because this issue could get voters in swing districts, in swing districts up off the couch to vote. Ford, is it time to set aside this policy because you lose the House and no border wall?

O'CONNELL: Well, look, here's the deal. OK. A lot of Republicans on Capitol Hill are scared of the P.R. optics and what's going on now with the border detention controversy. Look, if you go with Ted Cruz and you sort of solve the short-term P.R. crisis, what you're not doing is effectively desensitizing illegal immigration. And that's where Donald Trump made the point.

Look, Ted Cruz's bill doesn't go far enough. And what a lot of people aren't saying here is that immigration, we need to solve this problem. And essentially you've got Democrats who have no interest whatsoever beyond open borders and then you have some Republicans who can't decide exactly how much illegal immigration they want to curtail.

So essentially Donald Trump has to put this on his back and it's actually a great issue in a midterm election for him if he can get the optics on your side.

MACDONALD: Yes, you're breaking the law if you cross the border illegally. You're breaking the law. I mean, but children should not be used as a policy tool as a means to an end in any situation or circumstance.

We had John Kasich today saying this is the party of Lincoln. Reagan would have never, never have done. But you know, here's the thing, Ford, this is an issue no one is really talking about. Mexico had a record number of homicides last year, over 2500 people killed, a 113 political candidates killed, reportedly by drug cartels in just one year. I mean, this is chaos just south of our border. Your reaction to that?

O'CONNELL: Well, look, there is chaos south of our border. But I'm more concerned about the way the laws are written. They're not written to deal with people who do not come from Canada or Mexico. And essentially a lot of what we're talking about is family units and Central Americans and essentially you neither have to essentially arrest them, return them or actually release them into the interior, and if you're releasing families into the interior for the sole purpose of keeping them together, I don't understand how other people aren't going to gain assessment and follow suit.

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MACDONALD: Well, the issue is, stop the criminal prosecution of the families and just have them in administrative detention centers that they had that policy in March. But Goodlatte has a bill out there for it, Bob Goodlatte he has, you know, a good immigration, solid immigration policy. We're showing the full screen of what it offers. Goodlatte has the immigration bill. Well this pass? Will the Democrats sign onto it?

O'CONNELL: Well, look, I think the Goodlatte bill is exactly the right way to go. But you know that you need 60 votes in the United States Senate to pass this bill and essentially because only five Democrats are basically in political jeopardy in terms of the 2018 elections in the Senate, it's going to be very hard to get 60 votes.

So, I know, I do not see this going through. I think the Democrats love this optics of empathy because they think it helps well to play well with their base.

MACDONALD: Wow, politicizing the border. Ford, thank you so much. Good to have you on.

O'CONNELL: You got it, E-Mac. Thank you.

MACDONALD: Again, we're going on the story for you. President Trump is about to depart the White House to meet with House Republicans on Capitol Hill shortly to get an immigration compromise.

Remember this, though, President Obama also has warned Central Americans just four years ago to not bring your children to the border. We're going to bring in RNC spokesperson Kayleigh McEnany to react to all of this after the break. Don't go away.

ELIJAH CUMMINGS, (D) UNITED STATES REPRESENTATIVE: We will not keep kids in child internment camps indefinitely and hidden away from public view. What country is that? This is the United States of America. This was a policy invented, implemented and executed by President Donald Trump.

(END VIDEO CLIP)

MACDONALD: That's Congressman Elijah Cummings on Capitol Hill today as House Republicans gather tonight at the Capitol to meet with President Trump on immigration. Again, Democrat Congressman Elijah Cummings blasting the Trump administration's zero tolerance policy, has resulted in separations of undocumented families at the border.

White House officials have said this policy is meant as a deterrent, but now a growing number of Republicans saying it's unacceptable and immoral to use children as a leverage to enact policies while Democrats and Republicans still drag their feet on fixing immigration. The president is trying to push for a solution tonight.

President Obama also had warned Central Americans against bringing their children to the border back in 2014. Let's listen.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Some of your critics have said you have to speak out more directly to the people of Central America and say, don't come. If you come, you will be deported.

BARACK OBAMA, FORMER PRESIDENT OF THE UNITED STATES: Well, we actually just -- we've done that. The problem is, is that under current law once those kids come across the border, there's a system in which we're supposed to process them, take care of them until we can send them back. So that's the process, but what we've--

(CROSSTALK)

UNIDENTIFIED MALE: Is your message don't come?

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OBAMA: Our message absolutely is don't send your children unaccompanied on trains or through a bunch of smugglers. That is our direct message to the families in Central America, do not send your children to the border. If they do make it, they'll get sent back.

(END VIDEO CLIP)

MACDONALD: That's President Obama talking tough on immigration four years ago, and unaccompanied minors and children coming to the border saying, parents, don't do it.

President Trump will be meeting with House Republicans on Capitol Hill shortly to try and hammer out an immigration compromise.

Let's take it up with RNC spokesperson Kayleigh McEnany. OK, so pushing forward, stop separating children from parents. Children should not be used as a policy tool. I think people are in agreement about that. Let's cut straight to the solution, is that Goodlatte bill the solution, is that what we're going to see tomorrow in the news?

KAYLEIGH MCENANY, SPOKESPERSON, RNC: Well, that or the compromise bill are the solution, and Congress can fix this, you know. Instead we see Democrats like Nancy Pelosi going to tour these facilities. At the top you played a clip of a Democrat who managed to pack three lies into a sound bite. That kind of hyperbolic rhetoric takes us farther from a compromise.

So stop grandstanding, Democrats. Sit in a room, act like adults, and let's figure this out.

MACDONALD: Just now, you know, the issue is Republicans now fear their control of the House in that stake. The issue could get voters in swing districts up off the couch to vote given what the policy is about basically separating parents and children.

But, you know, and Ted Cruz has that emergency legislation, John Kasich and so forth. What will be accomplished, John Kasich saying the party of Lincoln shouldn't do this. What will be the bipartisan solution, Kayleigh? What are we going to see coming out of the results of the meeting tonight?

MCENANY: Well, it's interesting. Let me just take up one point here. You know, President Obama had the same separation policies. He chose not to implement the law in many cases. The law has all these loopholes that President Trump has pointed out that basically say if you enforce the law, the result of that is parents are prosecuted, their kids are separated. Congress has to change that. It is on Congress.

(CROSSTALK)

MACDONALD: But Kayleigh, hang on a second, let me ask you something because back in a couple months ago, you know, Jeff Sessions and the Trump administration said we are going to do zero tolerance. We are now going to start criminally prosecuting. That was the shift. That was the switch in policy. Prior to that they were putting administrative detention centers together, now they're separated because you're criminally prosecuting. That's what's led to this firestorm of controversy.

MCENANY: Right. Right, and guess what, 8USC-1325 makes it a crime to enter this country illegally. Article II of the Constitution demands that the president faithfully execute the laws of Congress.

President Trump is doing what Congress has told him to do. For decades you have had presidents ignore this problem, and we are here today with a president who says I want to fix this. He has put together a plan that 65 percent of the country supports according to the Harvard Harris poll.

So Democrats need to stop grandstanding and get their act together, help him enforce the law in a way that we do not have to separate families, but we can still prosecute those entering illegally.

MACDONALD: Well, the president did say don't separate but still pushed ahead on legislation, right?

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MCENANY: Well, the problem is when these individuals are prosecuted they're taking in to a federal court--

(CROSSTALK)

MACDONALD: Well, don't prosecute them, that's the point.

MCENANY: Right. They're taken into a federal court, and law currently says -- and for a good reason, children are not allowed to be put in a federal detention facilities.

MACDONALD: OK.

MCENANY: But we can expedite the removal process and therefore expedite the reunification of families and send them across the border expeditiously.

MACDONALD: The bottom line is stop breaking the law, don't cross the border illegally, and there are common sense fixes. Final word, Kayleigh.

MCENANY: That's exactly are right. You know, this is a compassionate administration. They said we want a DACA fix, we don't want to separate families, we want to enforce the law because American citizens have died at the hand of MS-13, and that's an unacceptable status quo here.

MACDONALD: We're taking that on in a couple of minutes. Kayleigh, thank you to that story about Americans being killed by criminal illegal aliens. So, we're going to take up that in just a second. Kayleigh, great to see you. Thank you so much for coming in.

UNIDENTIFIED FEMALE: Thank you, Liz.

MACDONALD: Day two of questioning still underway for the DOJ Inspector General Michael Horowitz. He is now confirming he is looking into the FBI handling of the Russia probe, and he's saying that bias at the FBI possibly could have initiated that probe. We've got that sound coming up.

But first, President Trump threatening tariffs on \$200 billion of China goods. The U.S. and Asia markets taking hits today. We're bringing in the Fiscal Times Liz Peek to react after this.

MACDONALD: Breaking news, this just in, industrial giant GE kicked out of the Dow Jones Industrial Average. It's been booted. Look at who it's being replaced by, drugstore chain Walgreens Boots Alliance. Now, GE has been the sole surviving initial member of the Dow Jones Industrial Average. It started out there in the blue chip index in 1896 and stuck there through tonight. It's out. Liz Peek is with us from the Fiscal Times. Your reaction to that.

LIZ PEEK, COLUMNIST, THE FISCAL TIMES: Kind of a historic moment, right?

MACDONALD: Wow!

PEEK: But it really says a lot about where we are in this economy and this country. This was a real industrial, sort of heartthrob of the country and it has steadily lost steam and lost market share and lost market cap and so, obviously, it was headed to exit, the Dow, no question about it.

What's taking the place though is sort of, again, another token of where we are in our country's development, a company -- Walgreens -- that obviously caters to an aging population, expanding health care mandates, et cetera, et cetera, so this is really --

MACDONALD: Walk-in clinics.

PEEK: Yes, I mean, this is really sort of an incredible picture of where we are right now.

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MACDONALD: You know, a lot of Americans spend a good chunk of their lives in these strung out places walking around.

PEEK: And interesting, not every country has them. I mean --

MACDONALD: It's a good point.

PEEK: -- this is an American phenomenon I think.

MACDONALD: Let's get back to this, President Trump threatening tariffs on \$200 billion worth of China goods. Let's listen.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: We have an \$800 billion trade deficit right now, what do you have to lose? And I'm only giving him a wide berth on these issues right now. I think he's just trying to send a message to China and the rest of the world that this cannot continue. This cannot continue.

This is the reason the guy's president of the United States today. He was the only one that was talking that during his campaign on both immigration policy and tariffs. This is why Reagan Democrats voted for this guy. It's because he said, hey, one, you're losing your jobs and, two, if you have a job, your pay isn't increasing.

This is the direction that this president said he was going to go and he's just keeping his promises. So he's sending messages around the world saying, hey, no more. No more. No more piggy bank for the rest of the world.

(END VIDEO CLIP)

MACDONALD: All right, U.S. and Asia markets taking a hit again because of this next step in the process of the trade fight with China. Your reaction to all of this.

PEEK: Well, interestingly, China's market was down more than ours and I think that says a good deal. Look, we are still in the opening season here of trying to settle a long-simmering trade dispute with China. This goes back decades. This is not a new problem. China has misbehaved particularly with the theft of intellectual property worth trillions of dollars, and now all of a sudden we are at a tipping point. China is really taking over more and more a technology leadership role and we cannot afford to let that happen.

MACDONALD: We're breaking away just for a second, here's the president on his way to the Republican conference talking about immigration.

(BEGIN VIDEO)

UNIDENTIFIED FEMALE: Mr. President --

UNIDENTIFIED MALE: Is this child abuse, sir?

UNIDENTIFIED MALE: Mr. President are you going to shutdown the government over the wall?

(END VIDEO)

MACDONALD: So the president is saying we're going to try to get a solution there. So again, we're staying on this developing story. There's the president leaving to go meet with House Republicans to hammer out an immigration compromise with the whole points of individuals and a coterie behind him.

Let's get to this bombshell, what happened on day two of the questioning -- it is still underway for the Justice Department Inspector General Michael Horowitz. Michael Horowitz confirming he's looking into the FBI's handling of Russia probe. Let's watch.

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(BEGIN VIDEO CLIP)

REP. BOB GOODLATTE (R), CHAIRMAN, HOUSE JUDICIARY COMMITTEE: Do you believe this text shows political bias?

MICHAEL HOROWITZ, INSPECTOR GENERAL, JUSTICE DEPARTMENT: I think as we've found it clearly shows a biased state of mind.

GOODLATTE: And if so, do you believe the political bias shown by this text had an effect on the initiation of the Russia investigation?

HOROWITZ: I think, as you know, Mr. Chairman, that's a matter we've got under review and are looking at right now.

(END VIDEO CLIP)

MACDONALD: OK, so we saw there, Liz, that the I.G. confirming they're looking into whether bias at the FBI initiated the Russia probe --

PEEK: Yes, which is really the first time we've heard that, right? MACDONALD: Yes, we haven't heard that.

PEEK: I mean, and by the way, Trump supporters are going to be pretty thrilled to have that balanced approach taken because, yes, the Clinton e-mail investigation was certainly flawed in many respects, and people think it was politically biased. But this one, this whole Trump-Russia probe, I think the right, you know, people support Donald Trump are just furious about the way this was taken on.

And it is high time for someone to investigate how all this got started. There have been so many leaks, so many rumors, so much innuendo, we want to know what happened and why. And I think this is a very positive development.

MACDONALD: Liz Peek, love having you in on such a breaking moment --

PEEK: So many things going on.

MACDONALD: Everyday is --

PEEK: Yes, exactly.

MACDONALD: Good to see you, Liz Peek. Great to see you.

PEEK: Thanks.

MACDONALD: Thanks for coming in. OK, Amazon shareholders, look at this story, they're calling on the tech company to stop selling facial recognition technology to our nation's police officers saying that technology could be unfairly used to target and surveil people of color and others. Coming up, we're bringing in a Cleveland detective. He is here to react.

But, again, we're staying on the story of President Trump trying to hammer out an immigration compromise bill with House Republicans. The question is will Democrats sign on? The answer is likely, no. Conservative Review TV host, Allie Stuckey is going to react to the latest after this.

(BEGIN VIDEO CLIP)

REP. NANCY PELOSI (D), MINORITY LEADER: What is it that they are thinking? Do they think these children deserve less than their children do in terms of care and love?

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HILLARY CLINTON, FORMER PRESIDENTIAL CANDIDTE: Those who selectively use the bible to justify this cruelty are ignoring a central tenet of Christianity. Jesus said suffer the little children unto me, he did not say let the children suffer.

UNIDENTIFIED MALE: You're operating with a white nationalist government that will take children hostage to get what they want.

UNIDENTIFIED FEMALE: All I can say after talking to the people, watching the people, listening to the people that the statue of liberty, I think, is weeping right now.

(END VIDEO CLIP)

MACDONALD: President Trump meeting with House Republicans right now to get an immigration compromise bill that the chamber may vote on later in the week. Let's bring in Conservative Review TV host Allie Stuckey. Allie, what's your take on the controversy over separating parents and children at the border? Is there a solution here to stop all this?

ALLIE STUCKEY, TV HOST, CONSERVATIVE REVIEW: Look, everyone I know on both sides of the aisle has compassion for these kids, but this debate is getting absolutely out of hand. It's gotten so emotional that if anyone brings up a fact or a logical solution, they are slammed as being a heartless animal that doesn't care about these kids. But the fact of the matter is, is that Democrats don't want a solution.

We've been saying over and over again, this goes to the Congress. This has to be a legislative fix, this is not Donald Trump picking up the phone and saying, hey, stop doing that. Honestly, Kirsten Nielsen needs to be the only one that's talking right now because she's right, Congress has to fix this.

Ted Cruz has put forth a legislative solution that I think is really solid, unlike the Democrats who basically just want every illegal immigrant to be able to come in no questions asked, no consequences. And that's just not going to happen in this administration.

MACDONALD: Well, the president -- the White House a couple months ago -- let's just set out the lay of the land -- said we will start criminally prosecuting. At that point, that's when the family members were separated, because you can't hold children in federal criminal detention centers. The talk being --

STUCKEY: Right.

MACDONALD: -- revert back to administrative centers -- detention centers, you know, to fix that problem to keep the families together. That's the solution there. But to your point, Allie, there's a broader problem here, and that is border or security. To your point, Republicans and Democrats, both sides have for decades have been dragging their feet on common sense solutions to the immigration policies, problems and border security problems.

And Allie, to your point, listen to these family members who have been permanently separated from their children due to violent criminal illegals coming into this country. The families tell us Democrats have never talked to them. Let's listen.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: A four-time deported illegal alien that had done five years in prison for attempted murder and had a 15-year rap sheet just pulled up next to Spencer and randomly blew his brains out.

UNIDENTIFIED FEMALE: Joshua went to school one day, and unbeknownst to me, a classmate asked him for a ride home. We found out at the trial that his intent was to murder Josh for his truck. He brutally beat him, crushed his face and voicebox. He beat him in the head with a closet rod pour times until it broke. He strangled him over and over again, tortured him. He tied him up like an animal, dropped him in a field and set him on fire.

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UNIDENTIFIED MALE: An illegal immigrant intoxicated, hit him from behind going probably 120 miles an hour.

(JEND VIDEO CLIP)

MACDONALD: Your reaction to that.

STUCKEY: The fact is none of these crimes would have happened in this country if those illegal immigrants weren't there. So what we have to do is like you said, common sense legislation, that means building the wall, that means securing the border so that this isn't so easily able to happen, where women are able to smuggle children in or people are able to smuggle women and children in across the border.

We just heard a report actually on CNN that said that parents actually give their children Plan B and birth control because they know their kids are going to be raped when they cross the border. Is that compassionate? It honestly makes me sick to hear Nancy Pelosi and Hillary Clinton quoting the Bible when they're talking about border security.

If you want empathy, if you want compassion, let's secure our borders. Let's pass legislation to actually make that happen. Let's not just talk about it.

MACDONALD: And step up and say if you want to apply for asylum, we, of course --

STUCKEY: Come on.

MACDONALD: -- we're a compassionate nation.

STUCKEY: Yes.

MACDONALD: We will take you in as a refugee, just go to those points of entry. Don't try to cross.

STUCKEY: Go to the port of entry.

MACDONALD: Yes.

STUCKEY: Absolutely. We're the most compassionate country in the world. We have the highest amount of immigrants in the world. This is a country of immigrants in so many ways. Please, come here legally. We would love to grant you asylum if we can do that, but don't come in illegally. It's dangerous for everyone.

MACDONALD: President Trump speaking moments ago just before meeting with house republicans. Let's listen.

(BEGIN VIDEO CLIP)

DONALD TRUMP, PRESIDENT OF THE UNITED STATES: The system has been broken for many years. The immigration system, it's been a really bad, bad system, probably the worst anywhere in the world. We're going to try and see if we can fix it. Thank you very much.

(END VIDEO CLIP)

MACDONALD: Allie, your reaction.

STUCKEY: I think he's absolutely right. Look, we have to build the wall. That's not an unempathetic stance to take. That's actually so much more compassionate for the people who are trying to cross the border. It's so much more compassionate for the people in this country. It's just common sense. We have to secure our borders. President Trump ran on that, he knows that. Now it's time for him and Congress to step up to come together and actually do it.

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The Democrats like Senator Feinstein who proposed a ridiculous legislation that would basically make it impossible to separate children from any criminal in the United States, they're wrong. Republicans are actually proposing solutions. Let's come together and make it happen.

MACDONALD: Allie Stuckey, great to have you on. Thank you so much.

STUCKEY: Thank you.

MACDONALD: Amazon shareholders calling on the tech company to stop selling facial recognition technology to our nation's police officers saying that technology unfairly target and do surveillance on people of color and more. We're bringing in Cleveland police detective Stephen Loomis. He says this technology will keep you safe, all after the break. Don't go away.

MACDONALD: Welcome back. Amazon shareholders calling on Amazon to stop selling facial recognition technology to police officers and law enforcement across the country. Shareholders sending a letter to CEO Jeff Bezos saying, "We are concerned this technology would be used to unfairly and disproportionately target and surveil people of color, immigrants and civil society organizations. We're also concerned that foreign governments, including authoritarian regimes, could use it as well." Amazon, meantime, finishing in the green, up nearly 1%. Let's bring in Cleveland police detective Stephen Loomis to react. Are these concerns valid, sir?

STEPHEN LOOMIS, DETECTIVE, CLEVELAND POLICE: Absolutely not. Not at a local law enforcement level in any case. This technology is -- we heard the same arguments when we had fingerprinting back in the 19th century. , DNA sampling now is, everybody that gets arrested for a felony gets a DNA sample taken. So we hear the same type of arguments over and over again.

As far as targeting a specific race, absolutely not. This is going to target bad guys. And it's going to make law-abiding citizens much safer and law enforcement that are protecting them.

MACDONALD: The argument is that innocent people's faces will stay in those databases forever at police departments. Your reaction to that.

LOOMIS: No, that's absolutely not true. We absolutely input those faces. We take them from surveillance of store robberies, things like that. There's some body cam technology that's going to be coming out here very shortly. And keep in mind only 11 states right now have this. It's going to be very closely monitored just as NCIC is.

We can do criminal background checks, but we have to have a law enforcement purpose to do that, and so it's not going to be the free for all that, you know, these groups are claiming it's going to be.

MACDONALD: Detective, how does it keep us safe?

LOOMIS: I'm sorry?

MACDONALD: How does this technology keep us safe?

LOOMIS: Well, it allows us to pinpoint very accurately who the person is that we're dealing with. When I came on the job 25 years ago, you had to rely on their honesty to give you a social security number and a birthday. Now, we have computers in the cars, and we can check those things very quickly and get a picture of them right now to make sure that they're telling us the truth about that.

What this technology is going to -- it's almost going to be realtime and we're going to know who we're dealing with, whether it's a suspect, whether it's a runaway child. We talked about that earlier. You know, there are all kinds of applications for it, but it's not going to be to target protesters. I mean, it's ridiculous. No cop in this country cares about what people are protesting. We care about them being able to protest, and we'll defend that right and take a bullet for that and that's what we care about.

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MACDONALD: Can you repeat that because Silicon Valley thinks that law enforcement is going to do surveillance of civil, you know, civil rights groups and the like. Can you repeat what you just said? Are you doing surveillance of those guys?

LOOMIS: No, with facial recognition technology, absolutely not. You know, we do have intelligence units that go out and watch and look and see what's going on, and that's responsible law enforcement, but it's not obtrusive. You know, we're not in people's faces doing that. And this type of technology is going to absolutely make the job of a law enforcement officer safer. It's going to make the law-abiding citizen safer, and it's even going to make the criminal element out there safer because we're going to know who we're dealing with very, very quickly.

If we're dealing with a known armed felon, that's one thing. If we're dealing with a guy that's passing bad checks that, you know, we're going to know that right away and that's all or very, very useful information. But no prosecution will ever take place solely based on this type of technology.

MACDONALD: Hey, Detective Stephen Loomis, thank you so much for coming in and your insights there and thank you for our service to our country. We appreciate you. Thanks again.

LOOMIS: You're very welcome.

MACDONALD: We're going to be right back after the break. Heavy, heavy news night. We've got a lot of stuff for you, don't go away.

MACDONALD: Welcome back. Happening right now, President Trump meeting with the Speaker of the House Paul Ryan and House Republicans on immigration. We're going to stay on that for you and bringing you any breaking developments. Thank you so much for having us in your home and thank you so much for watching. It was a jam-packed news hour. Look who is here now, "Making Money." Take it away Charles.

Classification

Language: ENGLISH

Document-Type: Show

Publication-Type: Transcript

Transcript: 061901cb.233

Subject: US PRESIDENTIAL CANDIDATES 2012 (90%); US PRESIDENTIAL CANDIDATES 2016 (90%); US PRESIDENTS (90%); STOCK INDEXES (89%); GOVERNMENT ADVISORS & MINISTERS (78%); IMMIGRATION (65%); MANUFACTURING OUTPUT (64%); TRADE DISPUTES (62%); Stock Markets; Trade; Taxes; Immigration; Families; Policies; Legislation; Politics; Stocks; Investigations; Business; China; Tariffs; Immigration; Amazon; Facial Recognition

Company: FOX ENTERTAINMENT GROUP INC (73%); NETFLIX INC (58%); UNITED TECHNOLOGIES CORP (53%); BOEING CO (53%)

Ticker: NFLX (NASDAQ) (58%); UTX (NYSE) (53%); BOE (LSE) (53%); BA (NYSE) (53%)

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Industry: STOCK INDEXES (89%); MANUFACTURING OUTPUT (64%)

Person: DONALD TRUMP (89%); MIKE POMPEO (73%)

Geographic: CHINA (95%); UNITED STATES (92%)

Load-Date: June 19, 2018

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