



THE REAL DEAL ALL OUR EYES ON U.S. POLITICS

Lawmakers returned to Washington after their summer break to a lengthy agenda, including averting a government shutdown. The House Judiciary Committee formalized its impeachment inquiry. While there appeared to be momentum in the Afghan peace negotiations, the talks are now “dead” according to President Trump. The trade war with China is heating up again as the Trump administration applied a new round of tariffs and prepares to increase existing levies, but talks may resume this month. The Democratic presidential field starts to thin as candidates prepare to take the debate stage on September 12. Tech firms face increased scrutiny as state Attorneys General launch investigations.

CONGRESS RETURNS TO A LENGTHY AGENDA

Congress returned from a six-week summer break on September 9. The lengthy list of issues facing lawmakers upon their return includes government funding and gun control legislation, among others. The first item on the agenda is government funding for fiscal year 2020, which begins on October 1. The House has [passed 10 of their 12 annual appropriations bills](#) and the Senate has not passed any as they were waiting for congressional leaders and Trump to strike a [two-year budget and borrowing deal](#). The Senate Appropriations Committee [started marking-up](#) their spending bills the week of September 9. Given the tight timeframe, Congress will have to pass at least a partial stopgap “continuing resolution” to keep the government fully funded, likely to run until November 22.

While Congress was away from Washington there were a number of mass shootings—in Gilroy, California; El Paso, Texas; Dayton, Ohio; and Odessa, Texas—that left more than 50 dead, bringing the [total number of mass shootings in the United States](#) this year to 19. Members of Congress return amid outcry for tighter gun controls, but it is an open question whether this public pressure will translate into congressional action. President Trump has vacillated on what he would support and now seems to be moving away from strengthening background checks, “red-flag” laws, and other tightening of existing laws. [A proposal from the White House](#) may be released this month and Senate Majority Leader Mitch McConnell (R-KY) has said he will not bring any gun-related measure to the floor without the expressed support of the President. Nevertheless, the House Judiciary Committee [continues to advance gun control legislation](#).

Passage of the United States-Mexico-Canada Agreement is also on the agenda for the fall. Senate Finance Committee Chairman Chuck Grassley (R-IA) [recently penned an op-ed](#) saying he was engaged in consultations with his colleagues and the administration on the matter. In the House, a working group appointed by Speaker Pelosi and led by Ways and Means Chairman Richard Neal (D-MA) will meet this month after giving the U.S. Trade Representative’s office draft proposals to address four areas House Democrats say need to be fixed before they can consider the pact. The annual defense policy bill will also be considered this fall, known as the National Defense Authorization Act. The [House](#) and [Senate](#) passed their respective versions of the legislation and negotiations are ongoing to reconcile differences between the different measures—the conference report is expected to be released in mid-September.

HOUSE JUDICIARY COMMITTEE FORMALIZES IMPEACHMENT INQUIRY

On September 9, the House Judiciary Committee put forward the specific committee procedures regarding the ongoing impeachment investigation of President Trump releasing a resolution to formalize the investigation, put in place additional powers for the committee to pursue that investigation, and clarify how information obtained will be treated. The [“Resolution for Investigative Procedures”](#) amends committee rules governing hearings to: allow the chairman to designate hearings as part of an impeachment probe; allow for additional questioning of witnesses by committee staff; allow for the review of secret grand jury material in closed session; and gives the chairman authority to request information from the President’s counsel and invite the counsel to respond to materials raised in executive session. These four issues were all addressed in similar committee documents laying out impeachment-related procedures in connection with the impeachment of Richard Nixon in 1974 and Bill Clinton in 1998. The resolution also references Judiciary Committee Chairman Jerry Nadler’s [August 22 letter](#) to other House committee chairs to share information about their oversight investigations, noting “the Judiciary Committee’s authority and intent to conduct an investigation to determine whether to recommend articles of impeachment.” This reference signals that the scope of the impeachment investigation will reach things being investigated by other committees, but does not specify exactly which matters will be included. [The Committee will vote on the matter](#) on Thursday, September 12. To date, over 130 House Democrats (over half of the House Democratic Conference) has come out in support of impeachment.

FUTURE AFGHAN PEACE NEGOTIATIONS IN DOUBT

Negotiations between the United States and Taliban representatives, nine rounds of which have been led by U.S. Special Representative for Afghanistan Reconciliation Ambassador Zalmay Khalilzad, have been [declared “dead” by President Trump](#). President Trump had been looking to secure a peace deal, nearly 18 years after the invasion of Afghanistan in response to the September 11th attacks and ahead of the 2020 elections. A plan to remove over 5,000 American military personnel as at the heart of the negotiations. [Trump was looking to finalize the deal](#) with meetings involving the Taliban and Afghan President Ashraf Ghani at Camp David over Labor Day weekend. The meeting was canceled after a Taliban attack on Thursday killed 12 people, including a U.S. soldier. Secretary of State Mike Pompeo stated that the U.S. is still interested in a deal but there is no clear path forward.

U.S. SET TO IMPOSE MORE TARIFFS ON CHINA AS TRADE TENSIONS RISE

On September 1, the United States applied a fourth round of 15% tariffs on \$112 billion worth of imports from China. Thus far, the U.S. has imposed tariffs on more than \$360 billion of Chinese goods. In this latest round of tariffs, footwear, clothing, and textiles constitute more than a third of the value of imports. [According to the Peterson Institute for International Economics](#), a Washington-based think tank, the share of Chinese imports of textiles and clothing hit by Trump’s tariffs will suddenly jump from 10% to 87% and footwear will increase from 7% to 53%. China retaliated by imposing additional tariffs on U.S. products ranging from 5% to 25%. Both sides have threatened to take more action with new tariffs and hikes to existing duties in the coming months.

On October 1, the U.S. [plans to raise](#) an existing 25% tariff on approximately \$300 billion worth of products to 30% and an additional round of \$160 billion worth of tariffs is to be applied on December 15. Amid this ratcheting up of tensions and the levying of additional tariffs, on September 5, Liu He, Vice Premier of China, and U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin, agreed to resume face-to-face negotiations in Washington over the coming weeks. These would be the first talks since negotiations in Shanghai in July.

THIRD DEMOCRATIC DEBATE AND THE WINNOWING OF THE PRESIDENTIAL FIELD

Ten Democratic candidates will face off for the third presidential primary debate on September 12 in Houston, Texas—the first time that all candidates participating in the debate will be on the stage at the

same time. To qualify for the debate candidates needed at least 2% support in a minimum of four DNC-approved polls (released between June 28 and August 28), 130,000 unique donors, with 400 unique donors per state in at least 20 states—the higher qualification requirements effectively cut the field in half. [On stage](#) will be former Vice President Joe Biden, Senators Cory Booker, Kamala Harris, Amy Klobuchar, Bernie Sanders, and Elizabeth Warren, former HUD secretary Julian Castro, former Congressman Beto O'Rourke, entrepreneur Andrew Yang, and South Bend, Indiana Mayor Pete Buttigieg. The more stringent debate qualification has also caused several candidates to drop out of the race with New York Senator Kirsten Gillibrand, Massachusetts Congressman Seth Moulton, Washington Governor Jay Inslee, and former Colorado Governor John Hickenlooper withdrawing in the past month. The fourth Democratic presidential primary debate will be held in mid-October in Ohio and have the [same qualifying rules](#) as this week's debate.

BIG TECH FACES INCREASED SCRUTINY, ANTITRUST INVESTIGATIONS ANNOUNCED AT STATE-LEVEL

Legal pressures are piling up for Facebook, Google, and other big tech firms, as state officials across the U.S. prepare antitrust investigations. On September 9, [50 state attorneys general announced](#) an antitrust investigation of Google for allegedly prioritizing its own services and products in search results and on its Android operating system. A coalition of attorneys general, led by Letitia James, the attorney general of New York, also [announced an investigation of Facebook](#) focusing on whether it holds too much power in the advertising industry. This follows the [chair of the Federal Trade Commission saying](#) that he is willing to break up major technology platforms and the [anti-trust inquiry opened by the Department of Justice](#) in July. The House of Representatives also continues its investigation into Google, Facebook, Amazon and Apple.

PERSONNEL MOVES

White House – National Security Advisor **John Bolton** has resigned. **Jason Greenblatt**, assistant to the president and special representative for international negotiations, has stepped down.

State Department – **Kelly Craft** was sworn in as U.S. ambassador to the United Nations. **Kelly C. Degnan** was nominated to be U.S. ambassador to Georgia.

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