



THE REAL DEAL – 4th ISSUE ALL OUR EYES ON U.S. POLITICS

Lawmakers returned to Washington this month after a summer break to take up government funding legislation, consideration of the nomination of Brett Kavanaugh to be an associate justice on the United State Supreme Court, and other matters. Policy developments that the administration wished to tout before the mid-term elections—which are 8 weeks away—were overshadowed by the release of a new book by Bob Woodward and an [anonymous op-ed](#) penned by a “senior official in the Trump administration.” Senator John S. McCain passed away on August 25, Arizona Governor Doug Ducey [named former Senator Jon Kyl](#) to fill the seat.

PARTISAN DIVISIONS AND THE SUPREME COURT

The hearings for Judge Brett Kavanaugh’s nomination for the Supreme Court seat vacated by Justice Antonin Kennedy, which started in the [Senate Judiciary Committee](#) on September 4, included noisy protests, over 70 arrests, partisan battles, and plenty of drama. Things got off to a tumultuous start as angry Democratic members of the Committee tried unsuccessfully to postpone the hearings after the White House withheld thousands of documents from Kavanaugh’s work in the Bush administration—the opening hearing was so chaotic at times that Sen. John Cornyn of Texas, the No. 2 Senate Republican, blasted it as “[mob rule](#)” and “unlike anything I’ve seen before in a confirmation hearing.” Questions over the release of documents also led Senator Cory Booker (D-NJ) to threaten the release documents labeled “Committee Confidential,” which allows senators to review the material but not make the documents public, the penalty for which is possible [removal from the Senate](#). Despite the drama, it is unlikely that the protests and interruptions will add additional time to the process and Judge Kavanaugh is expected to be confirmed by the full Senate before the mid-term elections.

NUMEROUS PRESSURES CAST SHADOW OVER TRUMP WHITE HOUSE

The release of *Washington Post* reporter Bob Woodward’s new book “[Fear](#)” and the *New York Times* publication of an [op-ed](#) by an anonymous “senior administration official” are the latest in the numerous pressures bearing down on President Trump and his White House. Woodward paints a picture of an administration in disarray and the author of the *Times* op-ed claims to be part of a wide-reaching resistance to Trump’s presidency from inside his own administration. Also this past month Paul Manafort, Trump’s former campaign chairman, was [found guilty on eight counts](#) of financial crimes. This was the first case brought by special counsel Robert Mueller as part of the investigation into Russian interference in the 2016 election. Manafort also faces a second set of charges in federal court in Washington, DC.

U.S.-EU TRADE

Negotiators from the United States and the European Union (EU) continued to meet and work on the [joint framework](#) signed by Presidents Donald Trump and Jean-Claude Juncker on July 25. That agreement calls for the two sides to work together on eliminating tariffs and other trade barriers, on energy, regulatory standards, and on combating unfair trade. It also indicates that the two sides will refrain

from imposing new tariffs while negotiations are ongoing. Nevertheless, U.S. tariffs on steel and aluminum from EU countries remain in place, as well as the retaliatory European tariffs. The two sides hope a deal can be reached by the end of the year and the Trump administration said it will seek **“fast track” approval from Congress** for the deal.

NEW TARIFFS ON CHINA

The trade war with China continues to escalate. While the White House is finalizing plans to impose tariffs totaling **\$200 billion on Chinese imports**, Trump is threatening a third round of duties totaling approximately \$267 billion on Chinese goods. This is on top of the **\$50 billion in tariffs** on Chinese industrial imports imposed this summer. The U.S.-China trade deficit also hit **record levels in July**, expanding by 9.5 percent. China has already imposed reciprocal tariffs on U.S. goods, but they only import around \$130 billion worth of products, therefore China will likely seek new ways to retaliate as they are running out of scope for dollar-for-dollar retaliation. Additional measures could range from imposing steeper tariffs on U.S. goods, delaying approval for U.S. investments, or slowing down customs processing. International Monetary Fund Managing Director Christine Lagarde has **warned** that the trade war could end up hurting economic prospects across the developing world.

NEW NAFTA? TIME IS RUNNING OUT

The September 30 deadline for President Trump to submit a renegotiated North American Free Trade Agreement (NAFTA) deal to Congress is fast approaching. Canadian and American officials **continue to negotiate** after the U.S. and Mexico reached a revised, **bilateral agreement** in August. Per Congressional rules, Trump officially notified Capitol Hill last year of his plans to renegotiate NAFTA, not strike separate deals with Canada and Mexico. If he brings a Mexico-only deal to Congress, lawmakers may object to expedited consideration of the agreement, leading to a showdown with lawmakers just weeks before the mid-term elections.

AMERICA’S \$1 TRILLION DEFICIT

The federal deficit hit almost \$900 billion in the first 11 months of fiscal year 2018. This represents a \$222 billion increase, or 32 percent, over the same period of fiscal year 2017 according to the **Congressional Budget Office** (CBO). CBO analysts have predicted that the deficit would near \$1 trillion in fiscal year 2019 and continue to grow the following year. Experts have warned of the national security implications of the growing budget deficit and described the situation as a **“slow motion crisis.”**

REGULATING SOCIAL MEDIA

This month top executives from Facebook and Twitter appeared before the **Senate Select Committee on Intelligence** to discuss foreign influence operations’ use of social media platforms. Senators from both parties acknowledged that sooner or later Congress would have to pass new laws to **regulate internet firms**. Senator Mark Warner (D-VA), vice chair of the Intelligence Committee, said that **“the era of the wild west in social media is coming to an end.”** In September the **Federal Trade Commission (FTC)** also initiated the first broad examination of competition in the technology industry for more than two decades, signaling that there could be stronger oversight in store for tech giants.

REMEMBERING JOHN MCCAIN

Arizona Senator John Sidney McCain died on August 25 at the age of eighty-one. Tributes to the Senator poured in from all corners, recognizing one of the most important and colorful political figures in American history. Memorials included lying in state in the Arizona state capitol building, lying in state in the United States Capitol (an honor afforded to only **30** Americans previously), a service at the National Cathedral—at which the late Senator was eulogized by former Presidents George W. Bush and Barack Obama—and, finally, being laid to rest at the United States Naval Academy.

PERSONNEL MOVES

White House – **William J. McGinley** will now serve as assistant to the President and cabinet secretary. **Brooke Rollins** has been appointed to serve as assistant to the President for strategic initiatives, **Rear Admiral Keith Davids** will serve as deputy assistant to the President and director of the White House military office. **Kelvin Droegemeier** has been nominated to serve as director of the Office of Science and Technology Policy.

State Department – Secretary Pompeo has made several senior-level envoy appointments: **Ambassador Zalmay Khalilzad** as special advisor to Afghanistan, **Ambassador James Jeffrey** as special envoy for Syria, **Stephen Biegun** as special representative for North Korea, and former director of Policy Planning **Brian Hook** as special representative for Iran. Replacing Hook as director of Policy Planning is **Kiron Skinner**. **Ambassador David Hale** has also been confirmed as undersecretary of state for political affairs. The following ambassadorial nominations have been confirmed by the Senate: **Judy Reinke** for Montenegro; **Philip Kosnett** for Kosovo; **Derek Hogan** for Moldova; **Eric Nelson** for Bosnia and Herzegovina. **Marshall Billingslea** has been nominated for undersecretary of state for civilian security, democracy, and human rights.