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TRANSCRIPT

Event

“EST Rapid Roundup: What Comes Next for U.S. Trade Policy After the Supreme Court’s IEEPA Ruling?”

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Navin
Girishankar:

Good morning. This is Navin Girishankar from the Economic Security and Technology Department here at CSIS. Welcome to this EST Rapid Roundup on the Supreme Court's IEEPA ruling last week. So last week, the Supreme Court did something that the trade world has been bracing for, and honestly been debating, for months. In a 6-3 ruling in *Learning Resources Incorporated versus Trump*, the Court held that IEEPA does not authorize the president to impose tariffs.

This is a landmark decision. It reaffirms that the power to tax – and tariffs are taxes – belongs to Congress. But here's the truth. The dust is nowhere near settled. The administration moved quickly, invoking Section 122, which went into effect literally hours after the IEEPA ruling. And section 232 and 301 are being loaded up. And in addition, \$160 billion in collected tariff revenues is still sitting in legal limbo with no clear refund roadmap. So what did the court actually decide, and why? What does it mean for businesses trying to plan right now? What does it mean for trading partners, and ultimately for America's long game when it comes to trade technology and reindustrialization vis-à-vis China?

In today's Rapid Roundup, we're going to have two panels. The first one will feature Washington's foremost trade policy experts to understand the court's decision, what it means for trade policy, what it means for trading relationships, and then its economic and fiscal impacts. And then we're going to have a second conversation, zooming out to the bigger strategic picture, terms of the competition with China, U.S. reindustrialization, and ultimately the U.S. technology long game. So let's get into it.

And, first, let me introduce – I am absolutely delighted to have three of the sharpest trade minds in Washington, that are part of the CSIS team. Our very own trade guy Bill Reinsch, who is an EST senior advisor, former undersecretary of Commerce, former president of the National Foreign Trade Council, and the former Scholl chair – Scholl chair emeritus here at CSIS. Angela Ellard, newly minted senior advisor for us at CSIS, former deputy director general at the WTO, and former majority and minority chief trade counselor in the U.S. Congress, with many, many years of experience. And Dr. Phil Luck, who's our Scholl chair and director of our economics program, former deputy chief economist at the State Department. Welcome all three of you.

Philip Luck:

Great to be here.

Mr. Girishankar:

So let me start with Bill. Bill, you put out a commentary at the end of last week, right on the heels – right after the ruling, breaking down the decision and the different arguments that held sway among the majority in the 6-3 decision. Can you take us through that at a high level?

William Alan
Reinsch:

Sure. Happy to, Navin. Good to be with all of you.

They actually ended up making a relatively clear, simple decision. But it took them 170 pages and opinions by seven of the justices to get there. Basically, they said that – what Navin said – that IEEPA, the underlying statute, the International Emergency Economic Powers Act, does not authorize tariffs, period. The division amongst the six majority justices was over why that was so. And the more conservative justices adhered to what they've referred to as the major questions doctrine, which is the idea that when Congress is going to delegate a chunk of authority to the president on a major question, it needs to do so with guardrails and clear instructions as to what the president can and cannot do. The three more liberal justices who joined the majority opinion don't particularly like the major questions doctrine, so they came to the same conclusion as the conservative justices but based it on their analysis of the text of the statute, pure and simple.

Where you ended up there, though, is that tariffs are taxes, as Navin said, and they're not permitted by the statute. The two things that I thought were interesting about it, first, the court – and this will probably resonate in future decisions on other topics – the court made a distinction between regulation and taxation, and one of the administration's arguments was that IEEPA allows us to regulate imports and so, therefore, tariffs are OK, and the justices said the power to tax is different and that resides solely in the Congress. So that was, I think, a landmark decision that will resonate for years.

The other thing that I thought was slightly amusing on the major questions doctrine was that the chief justice, who wrote the majority opinion, spent a decent amount of time quoting the president's frequent statements about how important a case this was, how much money was involved, how much money was being taken in, and why this was a huge issue – essentially, you know, implicitly saying that Trump himself has said this is a major question, and if you believe in the major questions doctrine then the court, you know, followed up with the obvious conclusion.

That's a very polite way of saying Trump kind of dug his own hole. Then, as Navin noted, we went on to a series of alternatives, which I think we'll be discussing, but I'll stop with that – with this.

Mr. Girishankar:

Oh, that's great, Bill. Let me – and for those who haven't, you should take a look at Bill's weekly column.

I'm going to move to Angela. Angela, obviously, you know, as Bill has laid out, the court just handed Congress its tariff authorities back with respect to this, at least a bit symbolically. What does this mean practically? How should we think about this? What does Congress do now and what do you expect coming forward – going forward?

Angela Ellard: Well, thank you, Navin, and good to be here with all of you today.

I think that from the congressional perspective it does put Congress in the driver's seat with respect to tariffs, with respect to IEEPA tariffs, and there is definitely, I think, a sense by the Supreme Court that unless tariffs are specifically delegated by Congress – tariff authorities specifically delegated by Congress – it stays with Congress.

So this decision is really a huge victory for separation of powers and for congressional prerogatives. Putting aside however you feel about tariffs, it really establishes this checks-and-balances system.

So the question now as to what Congress could do, should do, technically, it doesn't have to do anything; it's been handed its authority back. So in many ways, this is not something that Congress has to do. But, of course, Congress will be thinking about what its options are.

In my view, the most important thing for Congress to do would be to codify the trade agreements – not the tariffs, but the trade agreements that the administration has negotiated with so many of our trading partners.

These trade agreements now cover most of U.S. trade, certainly a critical mass, as Ambassador Greer has said, and he said that actually even before the agreement with India. So putting those agreements on firm, durable footing would create a lot of certainty for the markets, for our trading partners, for businesses, and for consumers.

Now, that's not an easy thing to do, but I think it's important to note that in terms of where Congress is coming from, it still has these powers. There's been some discussion about whether Congress should make changes to IEEPA, make changes to the Section 122 authority that limits the president to a hundred and fifty days.

But, in my view, that's not really the right step to take because the tariffs – the Section 122 tariffs that are in place for the next several months will give the president the time to use other tariff authorities that Congress has given to create more tailored responses. But I think ultimately the goal is to reach – to reach trade agreements. And much of that has been done. And perhaps that's where Congress should focus.

Mr. Girishankar: That's a very powerful point. And the other authorities you're mentioning are 301 and 232, which – you know, the 122 – all these numbers – 122 gives him 150 days to then deploy these other tariffs, which are procedural. In other words, you'd have to go through a kind of an investigation process for those other authorities, is that right?

Ms. Ellard: Yes, for the 301 tariffs there needs to be an investigation. Although, I would say here that that as a routine matter, as required by Congress, the administration every year issues its nontariff estimate report, which looks in detail at the trade relationship between the U.S. and each major trading partner. And it lists a litany of sins that – long-standing sins in many ways – that these countries have taken. So a lot of the work is probably done. It depends on how detailed the president wants to get. So that's the Section 301 authorities.

Then there's the Section 232s, which are national security based. And some of those are in place already – steel and aluminum, for example. And the president and Ambassador Greer have signaled that they want to do more of those. So I think this 150-day period when the Section 122 tariffs are in place is the opportunity for the administration to get its ducks in a row with respect to the remaining.

Mr. Girishankar: Yeah. Understood. Let me bring Phil – sorry.

Mr. Reinsch: No, let me just interrupt for a second. It's worth noting that 301 is subject to the Administrative Procedures Act. Which means there's a bunch of speed bumps along the way. You have to have a public comment period about other things. And so it slows everything down. The main impact here are these midnight postings of 100 percent tariffs against anybody that he's met at that day, I think that's going to go away. Because what the court really did is eliminate the logic of doing that, and the legal ability to do that.

Mr. Girishankar: Yeah.

Ms. Ellard: I think that's right. And if I could add, the Section 122 tariffs that he's using now have to be applied on a nondiscriminatory basis all across the board. So there can't be, as Bill was saying, this treating of different trading partners differently. And it's limited to 15 percent. So the ability to use tariffs for political purposes, let's say the Greenland tariffs – the Greenland tariff threat, or the Bolsonaro tariffs, that is a lot more difficult under – it's not possible under 122.

Mr. Girishankar: Yeah. Fentanyl – or the fentanyl – or the fentanyl tariffs as well. Is that right?

Ms. Ellard: Yes.

Mr. Girishankar: Yeah.

Ms. Ellard: Yes.

Mr. Girishankar: I have one more question for both of you, and then I want to bring Phil in. You know, the standard for 122 is relatively high. I mean, it hasn't been used before. It's a balance – walk me through its balance of payments crises that really make it difficult for macro – creates macroeconomic challenges. You know, isn't that also something that's subject to challenges in the courts?

Mr. Reinsch: Well, sure. And the economists are already debating this. As of at least this morning, I think the majority argued that there's – the case doesn't stand up. You know, that we don't have the kind of emergency that the statute contemplates. And he'll be sued. You know, this is America. Anybody could sue anybody for anything. So I'm sure the lawsuits are coming. The real winners in all these things end up being the lawyers. But, you know, it doesn't matter, because any litigation isn't going to be resolved in 150 days. And so, basically, he'll get away with it. And if there's going to be litigation, the litigation that matters will be over the 301 tariffs and the 232 tariffs.

Mr. Girishankar: Yeah. So we talked about the case. We talked about what that means for Congress. What's ahead of us? Phil, let's bring you in. Your team looks at the economic impacts of these things very, very closely. Let's first talk about the tariff impact. So IEEPA has gone away. But then 122 is on – is on, 15 percent. What does it look like in terms of the actual tariff impacts on trading partners?

Dr. Luck: Yeah. So it's good – I'm an economist, so I'm going to stay as far away from the legal parts of this as possible. But to exactly your point and to Angela's point, because 122 has to be put on in a symmetric way, it actually has pretty big relative tariff impacts across partners, right?

And so a really important thing to know about tariffs, tariffs are a microeconomic tool; they are not a macroeconomic tool. They're about changing relative prices across goods, across partners. And a huge problem with this is it actually leveled out the tariff regime in a way that advantaged China, India, Brazil, other partners where we had more sort of longstanding issues with, and actually sort of hurt partners that we've struck deals with, right? So the tariff rates have actually increased on

Great Britain and Korea and a few others. So the use of this 122 tool, because it's this really, like, blunt instrument, actually sort of goes against the sort of economic security objectives of the administration.

The other thing I want to point out, to your question and to Bill's answer, yeah, I mean, look, the timeline on this is too short for this to work its way through the courts, but 122 – this is a complete misuse of 122. We are not in a balance-of-payments crisis. It's just not what's happening. You know, we do not have a challenge of sort of foreign exchange reserves. You know, this is just not the case. So, you know, again, this is a misuse of another statute. We're not going to – that doesn't get us out of this, but it's just important to sort of note that.

You know, again, we'll have the tariff refunds. We sort of created a regime where we're sort of at least on average creating a situation where we're kind of back to where we were. But you know, again – and, as Angela pointed out and Bill pointed out – they'll use 301, they'll use 232. They're on much more solid ground there. So until we see, you know, a policy shift from the administration shifting away from using broad-based tariffs to sort of try to achieve policy objectives, they're still going to have really high tariffs.

The one thing – I totally agree that, like, they have less dexterity and leverage than they had before because IEEPA was – like, the way they were using it, you know, it basically allowed them to do almost anything at any time. I'm a little nervous still that they'll still have some ability to do that because, you know, 301, you know, once you're – Bill's exactly right that you have to go through the comment period, but you know, you have a lot of discretion after that in terms of sort of lowering or increasing. And 232 is the same thing. I mean, you can raise or lower; you can exempt countries. Or so, you know, they could just go through the – you know, a kangaroo court 232 process, you know, get a finding of 100 percent tariff on steel and aluminum, and then just exempt partners they want to. They'll always have the ability to go back to 100 percent.

And the last point there, I'd say, you know, when we talk to a lot of partners, I mean, it's been interesting to see sort of the Indians now starting to slow walk things and other partners making comments about that. But when we talk to partners, you know, in Korea, Japan, Europe, other places; and we said, hey, IEEPA might go away, like, will you sort of, you know, want to go back to the bargaining table and redo your agreement; pretty much every partner said no. Like, listen, they still have enough tools between steel and aluminum, pharmaceuticals, semiconductors, furniture, autos to cause a lot of pain. And you know, I think a lot of countries and a lot of partners are saying, like, let's let

sleeping tariffs lie; like, let's try to get through this period now without, you know, drawing the ire of the administration further.

So, again, it's really important for the Court, like, for separation of powers and the long-term sort of, like, viability of a – of a stable tariff regime. Super important. But until we see sort of a change in theory of the case from the administration, I think we're kind of just in for more of this.

Mr. Girishankar: Yeah. And something you have written about, there's, obviously, the tariff impacts, but then there's the policy volatility impacts and uncertainty, which it seems like that's still ahead of us and it's not going to go away, right?

Dr. Luck: Yeah. Absolutely. Yeah. The uncertainty tax is huge here. I mean, we're seeing investment start to pull back, and that'll continue.

Mr. Girishankar: So let me go back, because all of you have mentioned this and I think it's worth discussing this in a little more detail, the refunds. Of course, Secretary Bessent was on the Sunday morning shows and walked through that. I want to go to Angela on this one. Help us understand what's at stake here. What's the likely process that's going to be followed? What are the challenges associated with that?

Ms. Ellard: Well, in terms of what's at stake here, the first thing that I would mention is that it's just the IEEPA tariffs that have been declared invalid by the Court. So the other tariffs still remain in place, not subject to the discussion about refunds.

I would also say that there is tremendous uncertainty about what will happen next, as far as the refunds go. CBP, Customs and Border Protection, put out a statement the other day, I think it was late Friday, saying "stay tuned," basically. So no process yet.

I think here, the lower court, the Court of International Trade, is going to have an important role to determine what happens with the refunds. And I'll go through that a little bit. But I do want to point out that if people are expecting big refunds very quickly, consumer rebates, it's not going to happen. There's still going to be, I think, a long period before any of this is resolved. The clearest case for quick refunds will be, of course, for the parties to the case, the actual plaintiffs who brought the litigation. For those who did not, and have been watching to see what happens, that's when it starts to get a little bit more complicated. And, you know, we're talking about 150 billion (dollars) worth of tariffs. So it's not a small amount that needs to be sorted. And, of course, many, many, many, many importers.

The other thing I would note is that it's the importer of record that gets any refund. So for big businesses who act as their own importers of record, they're in a good place. For small guys – the small and medium-sized enterprises who rely on customs brokers and importers, they may not see the direct benefit. So this could end up being a windfall, in many ways, to those who pass tariffs along, and that the importers of record get it back. It's not – it's a very blunt instrument. It's not going to make everyone whole.

As to the process itself, that really does remain to be seen as to – as to how the court will handle it. One option is for the court to establish a process – to oversee a process that CBP would follow with what I imagine would be some strict deadlines, with importers having the burden of proof to show that they made the entry. And, of course, there is plenty of documentation. I think that, you know one of the justices noted that – I think it was Justice Kavanaugh – that it would be a mess. And, yes, it's going to be complicated, but I would say that Customs has gone through this kind of thing before. Not at this scale, but this kind of thing. When the harbor maintenance tax with respect to exports was viewed – was determined by the court to be unconstitutional there was a refund process there.

And the way customs duties work, there's always a bit of a suspension of liquidation for 10 months anyway. In other words, the books aren't closed on an entry until there is time for CBP to go through the paperwork. So Customs is used to having to play with a lot of moving pieces here. So I'm pretty confident that they will figure it out. But it's not clear if the decision itself from the Supreme Court – because the Supreme Court was silent – it's not clear if that decision will itself encompass refunds, or whether the CIT will have to order the refunds for the nonparties. It's going to be complex. It will take some time. And the winners and losers may not be the ones who actually paid the tariffs.

Mr. Girishankar: Yeah. It goes back to this point around uncertainty. So not only uncertainty for trading partners, but for our own businesses, in particular, small businesses, as you say.

On the mechanics of this, Bill, did you want to jump in and add anything, any perspectives? Very rich perspectives from Bill.

Mr. Reinsch: Yeah, I'd add a couple things. I mean, the interesting thing about Kavanaugh's comment, which was exactly what Angela said, is after he said it was going to be a big mess he went on to say it wasn't the court's job to think about that. (Laughs.) It was the court's job to deal with the

legalities, and not the practical effects. And I suppose he's right from a lawyer's point of view, but it leaves everybody uncertainty.

I think the important thing to comment on is what Angela said at the end. There is a process for this. There are underpayments and overpayments that occur every day. You know, importers make mistakes. CBP makes mistakes. There's a constant flow of funds back and forth as people are, you know, paying more because they – you know, they underpaid or they're getting money back because they overpaid.

The process is there. It's never been employed on this scale and that's the key point here. I think we're in a situation where the government can make it hard or the government can make it easy, and my guess is that the government is going to make it hard. The administration actually stipulated in the lower courts that they would provide refunds if – you know, if they lost the case. Trump has not repeated that.

Mr. Girishankar: Although Secretary Bessent did say that yesterday.

Mr. Reinsch: Yeah. Well, I think – you know, I think they're on the hook. The question is whether they're going to make it difficult or – for example, you know, the data exists, you know, and CBP has all the data and they could just, if they wanted to, hand out, you know, the money electronically. If they insist on making importers apply and provide paperwork and document it all and prove it all, which is not irrational, it's going to take a long time.

Mr. Girishankar: Yeah. OK.

So this is a great, like, deep dive into the refund issue. Let's step back. Phil, it's really important to keep in mind the economic impacts as all this flows through on inflation, on supply chains, on capital flows. Help us make sense of this. Obviously, you'll be tracking this in the weeks and months ahead. But where do we stand now? What can you assess?

Dr. Luck: Yeah. I mean, so broadly speaking, I mean, so, again, to the degree to which the administration broadly has sort of reconstructed a tariff rate that's on average not that different from before, candidly, with a few less holes and a little more symmetric, you know, I think we're going to see similar effects on prices and consumption here at home.

I mean, there's been a lot of good studies that have come out over the last month or two really pinning down who's paying these tariffs, and if you think about it in terms of this is a tax but unlike other taxes you can

actually – there's a plausible argument that maybe foreign producers are paying part of that tax through sort of a balanced payments issues or through the sort of sharing there.

That's not happening, right? There's a really great study by David Weinstein at Columbia and Mary Amiti from the New York Fed just came out a week or two ago. 95 percent of these tariffs are being paid by the U.S. consumer – you know, the person purchasing the goods. That matches earlier studies out of Germany and other studies. So we are paying this.

Interestingly, Kevin Hassett really came down hard on those authors in a way that, candidly, was not very appropriate for a person in his position, saying that the authors should be disciplined. So that's the case. We're paying these tariffs, and to the degree to which 122 is going to look the same, the same thing is going to happen.

For inflation, the end consumer, evidence is showing – good studies out of Harvard have shown that end consumers are paying about half that tariff. So some of that's being paid by – by the producers and, you know, importers and, you know, importers. The rest is consumers.

One thing to note here is even if the 122 goes away and IEEPA goes away, prices don't tend to go down, right? We can – we can stop inflation, but, like, you know, producers who have been able to pass on some of that cost to consumers, they're going to keep those prices there. So we're not going to get sort of a disinflationary effect. This is not going to sort of help consumers in that way.

The other thing I would note is, you know, this – while we do have this issue around refunds, I mean, you know, I agree, I think the administration is going to make this, you know, harder than easier and probably request a lot of hoops for people to go through and, therefore, probably won't see a whole hundred and fifty billion (dollars) going back to consumers or the purchasers.

But, you know, this does take some revenue off the table. The one thing I would say there is, you know, this is a really small – tariffs have never been a significant source of revenue. They certainly are more significant under this administration than others, but it's still, you know, tiny compared to more substantial sources.

So, you know, in some sense, I think this is good in the sense that I really was worried or I continue to be worried that as tariffs become sort of a durable source of revenue from a sort of standing mechanism, that's going to be hard to unwind. So now we have the authorities that they

have a firmer leg to stand on, which is these competition authorities under 301 or national security authorities.

You know, generally speaking, we shouldn't be thinking of, hey, we have a security – a national security tariff on steel and we need to count on the revenue from that.

Mr. Girishankar: Right.

Dr. Luck: It would be – I would not – you know, I would not advise politicians to be thinking that way because that really muddles the security and economics in a way that's not really appropriate.

So broadly economically I think we still have, to your point, a huge challenge of uncertainty. I wrote – to your point, I wrote something before Liberation Day saying I don't know what's going to happen, but the one thing I know is we're going to have a lot of uncertainty tomorrow too. That has been the one thing that I've written that has – (laughs) – stood up the best, because we just continue to have a massive uncertainty that's going to delay investment, that's going to reduce, sort of, you know, the hiring and reallocation of capital in ways that will make the economy more productive. So, again, we'll still have a lot of time to sort of go to figure this out, but, you know, we'll see how things go from here.

Mr. Girishankar: Good. And let me – let me just follow up on one point here, because Secretary Bessent was quick to make the case that the tax cuts that are planned, you know, in terms of the extension of the 2017 tax cuts that – Trump tax cuts, that the tariff revenues are an important part of paying for that. And he was quick to underscore that 122 will help solve that problem. Can you help us make sense of this deficit impact, the fiscal impact?

Dr. Luck: Yeah, so – yeah, absolutely. So, I mean, again, like, in total, you know, the estimates are, you know, IEEPA brought in, I think, around \$150 billion. That's definitely not chump change. You know, that's a lot of money. But, again, you know, relative to the size of our deficit each year, which is projected to be, like, 1.9 trillion (dollars), or to the overall debt, 38 trillion (dollars), like, this is a small amount of money. To that – you know, to your point, it roughly, you know, concords to the tax cuts for the one big, beautiful bill.

And, you know, at least what we were hearing from behind the scenes, was this was kind of the quid pro quo with Congress saying, look, you pass these tax cuts and we'll get it back through tariffs. Which is really a massive change in sort of the tax burden on the American people. This

really increased taxes for lower-quartile individuals because they do more consumption, and reduce it on higher-income people. So this was a really – you know, a reduction in sort of the progressivity of the tax structure.

It's yet to be seen. I mean, that the one big, beautiful bill, that's law. So, you know, unless we change something that's going to happen. The 122, again, this is a short-term fix, again, for a balance of payments issue which is not occurring. There's every reason to believe that, you know, to Bill's point, we will not solve that problem in the 150 or whatever days. But that could also be ruled illegal, and therefore that would have to be potentially refunded as well. So, you know, I don't think that they have really shown the case for what is the durable strategy for a tariff regime that actually gets back 200 (billion dollars) to 300 billion (dollars) a year. Whether that's important to get it through Congress or to make these things stick in Congress, I don't know. But we'll see.

Mr. Girishankar: Yeah. Great. So I want to round this conversation up with kind of a big-picture question to all three of you. And I'll start with Phil, go to Bill, and then end with Angela. In a sense, does this ruling give the Congress and people on the Hill an opportunity for a larger discussion around the role of tariffs in American economic and trade strategy? I mean, I have been struck by the fact that what is, in effect, an import substitution strategy, hasn't really been debated aggressively. And it's kind of been accepted that that's going to lead to reindustrialization, competitiveness, competitive industries. So let me start with Phil. I want to go to Bill, and then Angela. And, of course, Bill and Angela, you've been around this for decades, so it's great to get your perspective on the long sweep of America trade policy and how this fits in. But, Phil, talk to us as an economist. I mean, import substitution, American-style?

Dr. Luck: Yeah. No, I totally agree with you. I think this provides a great opportunity for a real discussion on sort of the merits of this theory. You know, I think the Trump administration is very good at sort of acting and sort of avoiding having these sort of deeper conversations. We've seen that both in the foreign policy space and the economic space. We need to have that conversation, right? This is a sea change in both domestic economic policy and our international, you know, engagement with the world.

And, you know, I don't think anyone's making the real case for this, for twofold. One, I don't think they've articulated exactly what the objectives are. And the reason that that's really important is, A, we need to have a public debate about what those objectives; and, B, stating those objectives gives you a measurable thing to benchmark

the administration and Congress against. Because I don't think – to your point, I don't think it's going to achieve the objectives that they are going to set out. And that's going to be helpful for us to think about adjusting policy going forward.

Mr. Girishankar: Excellent. Bill, your perspective on this?

Mr. Reinsch: Well, I agree with Phil that it was a wonderful opportunity for serious debate and discussion. I confess I'm skeptical that we're going to have one. I don't see Congress being anxious to take this on. There's a lot of Republicans – I mean, Angela can speak to this better than I can – but I think there's a lot of Republicans who've been unhappy with the tariff policy. Particularly those that represent farm states, because the farmers always ended up being the first victims of this kind of policy because of retaliation.

So they're uncomfortable, but they don't want to cross the president. The president has been clear that he doesn't want to be crossed. He just withdrew his endorsement from the representative in Colorado who voted against him on the Canada tariff, you know, one of just, I think, six that did that. So, you know, there are consequences on that side of the aisle to crossing the president.

The Democrats, you know, really for 30 years have been kind of divided on trade. I think right now they – it's easy for them to unite in opposition to the president, but if you get into what they think about trade there's a good number of them that are not anti-tariff.

Mr. Girishankar: (Laughs.) Yeah.

Mr. Reinsch: So it's a good opportunity for the debate, but I would be very surprised if it actually happens.

Mr. Girishankar: Angela, last word to you on this.

Ms. Ellard: Well, I agree, of course, with Phil and Bill about the need for the debate.

I'm also hoping that in the context of this debate, if it – if it does happen, that we have to look not just at the tariffs as tariffs on imports and does that create more reindustrialization in the U.S.; we also have to look at exports and what the impact of these tariff policies is on U.S. exports.

Also, with respect to trying to make – trying to manufacture more here, whether the tariff policy, in fact, makes that more difficult by raising tariffs on inputs. And that's been a huge problem.

And then, finally, the whole question of trade in services as being such an important part of the U.S. economy. 80 percent of – in every congressional jurisdiction, 80 percent of jobs are related to trade in services. So that's a huge part of our economic strength and our comparative advantage.

So I think that these are – these are questions that have to be examined in the full context of a debate on how we get more manufacturing back in the U.S. And I think as part of this, too, it can't just be examined as a question of manufacturing in the U.S., but also what the impact is on the U.S. consumer, inflation, and buying power.

Mr. Girishankar: Powerful. Very, very great, great reflections from all three of you. I think I was reflecting on Justice Gorsuch's opinion, and he made a strong point – in effect, an appeal; I guess you could call it that – to Congress to take up this debate and their role, historic role, in really being the people's representatives on these issues. And I hope this is just the beginning of a conversation on the different types of tradeoffs that are at play.

We're going to have a follow-up conversation in about an hour with some of our colleagues on the technology component of this. What does this mean for the U.S. technology and economic long game, including vis-à-vis China? And I think pulling these threats together is going to be all the more important not only today, but as we go forward. And we'll be looking forward to the research and the work from all three of you on this topic. So thank you so much for joining this conversation.

(END.)