

Center for Strategic and International Studies

The Trade Guys Podcast

“Josh Bolten Joins the Trade Guys (Part I)”

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Date: Wednesday, January 9, 2019

*Transcript By
Superior Transcriptions LLC
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SCOTT MILLER: I'm Scott.

WILLIAM ALAN REINSCH: I'm Bill.

MR. MILLER and MR. REINSCH: (Together.) And we're The Trade Guys.

(Music plays.)

H. ANDREW SCHWARTZ: You're listening to The Trade Guys, a podcast produced by CSIS, where we talk about trade in terms that everyone can understand. I'm H. Andrew Schwartz. And I'm here with Scott Miller and Bill Reinsch, the CSIS Trade Guys.

In this first episode of 2019, we kick off the new year by welcoming a very special guest. Josh Bolten is the president and CEO of the Business Roundtable, which represents the CEOs of America's leading companies. Previously, Josh Bolten served in the White House under President George W. Bush as his chief of staff. He also served as director of the OMB, Office of Management and Budget. Before that, he served as general counsel to the United States Trade Representative and as chief trade counsel to the Senate Finance Committee.

We're going to talk with Josh Bolten about the USMCA, the new NAFTA. We'll talk about China and we'll talk about the politics of trade. All that right here on this episode of The Trade Guys.

We have with us today an extremely distinguished guest, Mr. Josh Bolten, who's the president and CEO of the Business Roundtable.

Josh, welcome to The Trade Guys. Thanks for being with us.

JOSH BOLTEN: Thanks for having me.

MR. SCHWARTZ: So tell us, just what is the Business Roundtable? What does it do?

MR. BOLTEN: The Business Roundtable is an organization of around 200 CEOs of America's largest corporations. Collectively, they employ over 15 million people. They have revenues of around \$8 trillion.

MR. SCHWARTZ: Eight trillion (dollars).

MR. BOLTEN: Eight trillion dollars is the annual revenues of our –

MR. REINSCH: That's real money.

MR. BOLTEN: – collective membership. And they constitute well over a quarter of the market capitalization of the U.S. stock market. So these are heavy hitters in the U.S. economy. And the Business Roundtable is an especially effective organization because the members of our group are the CEOs themselves and we ask them, when they participate in the roundtable, to put aside their parochial interests and focus on the interests of the overall U.S. economy.

So it's an organization that advocates on behalf of a strong and growing U.S. economy overall. And it's – and it's made up of big players in essentially every industry in the United States.

MR. SCHWARTZ: For you, you've dealt with the heaviest hitters in the world, including your former boss, the president of the United States, the 43rd president of the United States, George W. Bush. So when you get with the members of the Business Roundtable, the heaviest hitters there are in business, is it – is it hard to keep them on message? I mean, you've kept the president of the United States on message, you've kept the meetings going, you've kept the trains running. What's it like in this environment? I mean, this is a – this is a heavy hitter and a tough environment I imagine.

MR. BOLTEN: You know, it's easier than I expected.

MR. SCHWARTZ: Really?

MR. BOLTEN: Because, I mean, I'm accustomed to serving one boss and I thought it would be difficult to have 200 bosses.

MR. SCHWARTZ: Herding CEOs.

MR. BOLTEN: Yeah, who are notoriously independent and self-confident, which every one of the 200 CEOs of the roundtable is. But my experience is that when they come together on the big economic issues of the day, they really do put aside their parochial interests and they tend in most cases to come out in roughly the same place substantively. And even if they don't come out in the same place substantively, they recognize the value of cooperating with each other, especially in days like the ones we're living through now where really many of the fundamental principles of our economic system are either under assault or in question.

MR. SCHWARTZ: Right. And so let's talk about that. We have The Trade Guys here, Bill Reinsch, Scott Miller, who have – on our show, we talk about the constant battles within the administration, the administration is having with Congress, the administration is having with members of its own party even, and certainly with both of our – both our allies and our adversaries. So how are you fitting into the trade picture right now at the Business Roundtable? It's got to be, you know, a pretty thin line to walk.

MR. BOLTEN: Well, we crossed the line some time ago. Let me step back for a moment and say that when I joined the roundtable at the outset of the Trump administration, I expected a group that would be regularly in tension with the Trump administration, in part because I discovered that practically none of the CEOs in the Business Roundtable had supported, vocally and actively supported, Trump for president. So I expected a tense relationship.

What I found instead was a lot of enthusiasm and a very close working relationship with the Trump administration because the Trump administration was promising and in many cases delivered on important economic reforms that many of our CEOs viewed as essential to the success of the U.S. economy, beginning with corporate tax reform on which the Congress and the Trump administration delivered and whose promise I believe is being realized in the relatively strong U.S. economy we've had for the last year and I believe are likely to have going forward.

So with that as background, I say on most issues over the course of the past two years of the Trump administration, the CEOs of the Business Roundtable have been largely supportive and mostly

pleased with tax policy, with regulatory policy, with workforce policy, which is very important to all of them right now.

The notable exception – and I say it now because I’m in the presence of The Trade Guys –

MR. SCHWARTZ: The Trade Guys are heating up over here, I can –

MR. BOLTEN: Yeah.

MR. SCHWARTZ: It’s like they’re on warmup, you know? They’re idling.

MR. REINSCH: Smoke is not yet coming out of ears, though. (Laughter.)

MR. BOLTEN: Yeah. But I’m with the leading brains of the trade intelligentsia in Washington and so –

MR. SCHWARTZ: That’s a great endorsement, by the way.

MR. MILLER: Well, we’re just over on the sidelines riding that stationery bike waiting for the coach to put us in.

MR. BOLTEN: Yeah. Well, I’m going to – I’m going to put you in now by saying that the notable exception where our CEOs have been in stark disagreement with the Trump administration, not on everything, but on most things, has been on trade policy.

MR. SCHWARTZ: Yeah.

MR. BOLTEN: Which has created a very strong headwind that is at least partially counteracting strong tailwinds that they’re experiencing as a result of Trump administration tax and regulatory policy.

MR. MILLER: And the BRT is a longstanding free trade organization supported probably since its founding. I wasn’t there at the inception, I was in high school, but –

MR. SCHWARTZ: Scott Miller using “BRT” – that is an acronym for Business Roundtable.

MR. MILLER: For the Business Roundtable. But they’ve long been – long been the leaders in advocating for open markets. And my experience with the – with the CEOs who are active in the Business Roundtable, they tend to see the world as an economic unit and they’re trying to serve consumers wherever they might be. And their views translate pretty well with a – with a – with a free trade agenda and not so much with the America first agenda of this administration.

MR. BOLTEN: Well, let me – let me put a gloss on that, Scott, because, yes, they see the world as a – as an economic unit because that’s the world in which they operate.

MR. MILLER: Correct.

MR. BOLTEN: These are big, multinational corporations. But they are also almost exclusively in the Business Roundtable American-based companies. And so they come together at the BRT to advocate on behalf of good policy that will be good for the U.S. economy overall.

MR. MILLER: Fair enough.

MR. BOLTEN: But there's no inconsistency between being –

MR. MILLER: Right. Those aren't – those aren't different.

MR. BOLTEN: They are not different. And that is maybe the fundamental point, which is that a strong global economy, a strong open international trading system is essential to the prosperity and prospects of a strong U.S. economy.

MR. REINSCH: Do you think the Trump administration sees it that way?

MR. BOLTEN: No. Certainly the president doesn't see it that way. And I think many of his senior advisers, at least in the trade area, do not either.

MR. REINSCH: Like I said, I have two questions. One is, how do you compartmentalize? You've got one dialogue that's a happy one on the tax and regulatory side and one dialogue that sounds like it's an unhappy one. Do they end up sort of canceling each other out or compromising each other? Or are you able to maintain two dialogues separately?

And on the trade side, do you really have a dialogue? I mean, do they pay attention? Are you making inroads philosophically?

MR. BOLTEN: We don't really have to segment because we have a good dialogue across the board with the Trump administration. And that's one of the things that the CEOs in my organization have really appreciated, which is that even when there's disagreement, there has always been receptivity and genuine listening on the part of the Trump administration to the point of view that our CEOs are presenting, so we've got a good relationship with the White House and it's not just tax and regulatory policy. In particular, there's been a good focus from this White House on workforce policy about which our members care a great deal and which is itself closely linked to the disaffections that have created and anti-globalization that I think drives a lot of at least Trump administration politics. So we're glad to be in sync with the administration on those issues.

On the trade issues, we've just disagreed strongly on a number of points. They've heard us out, but they haven't trimmed their sails very much, or at least it's not particularly visible to us. So it's hard to say that we feel like we've had a major impact on the trajectory of administration trade policy.

And, Bill, I should add one other thing, which is that we don't disagree on everything. There are a number of things in Trump administration trade policy on which we've agreed, but we have strongly disagreed on the imposition of national security tariffs on steel and aluminum and the fallout from that. We have strongly disagreed on the way in which the administration pursued the NAFTA negotiations and some of the outcomes of that. But there are also areas of agreement.

MR. REINSCH: Is that going to stop you from supporting the outcome on USMCA?

MR. BOLTEN: I doubt it. I mean, there are improvements we would still like to see them do if necessary through implementing legislation or side letters, but –

MR. REINSCH: So are you working with the Congress on that?

MR. BOLTEN: Yeah. I mean, the Business Roundtable always is in close touch with allies on the Hill. And I expect we will – we will find ourselves working hard in harness with the administration to put a new U.S.-Mexico-Canada agreement into place when the time comes.

MR. SCHWARTZ: So a few things have changed within this administration in the past few months, but not on trade, and a few things have changed in Congress that probably will impact trade, a new Democratic Congress. How are you negotiating the landscape in Congress, say, for instance, on the new USMCA, the former NAFTA agreement?

MR. BOLTEN: The U.S. Trade Representative has, in putting together their negotiation from the beginning, the USTR seemed to feel that there was a good prospect of bringing along labor Democrats to support the new agreement. We have always been more skeptical of that and believe that the path to getting this and other trade agreements through is likely to be the relatively well-worn path that The Trade Guys themselves have trod many times over the course of your careers, and that is a coalition of most Republicans plus moderate, pro-trade, pro-growth Democrats. And I happen to believe that that will be the path for approval of trade agreements in the new Congress as well. Democratic control in the House now makes that task more difficult, but I don't think it makes it impossible.

MR. REINSCH: Let me ask about that. One of the – one of my hypotheses has been, based on some very rough research we did here, is that the incoming Democratic freshmen, not the – not just the ones that flipped the seat, but the ones that succeeded, older Democrats – that that's a class that is not entirely, but relatively more pro-trade than other Democrats and that the net the party is slowly and more than microscopically shifting in a pro-trade direction.

MR. SCHWARTZ: More of the Democrats who were elected are closer to the center. They ran closer to the center. I mean, this is with the exception of the ones who are getting all the headlines, Ocasio-Cortez.

MR. REINSCH: Yes. And they're also from the – and they're also from the coasts, which tend to be particularly –

MR. SCHWARTZ: Right. And the – and the suburbs.

MR. REINSCH: Which tend to be more pro-trade. Have you – I mean, is that your perception as well or have you not looked into it?

MR. BOLTEN: We have looked at it and that's our hope. It needs to be proven. But I think – I think it's a hypothesis that there's good evidence so far to support. And you see good leadership among Democrats among the more moderate Democrats, among the new Democrats. You think of somebody like Derek Kilmer from the Seattle area, who's the leader of the new Democrats, who I think could be a very effective leader for that portion of the Democratic Caucus, that is likely to be amenable to supporting good trade agreements.

MR. SCHWARTZ: What happens when new members who are getting a lot of ink, like Ocasio-Cortez, start to decide that they want to get involved in trade policy and they come over and knock on your door at the Business Roundtable? How do you work with them?

MR. BOLTEN: You know, we'll work with all of them. We had several of our CEOs go to the session that Kennedy School runs every year for the –

MR. SCHWARTZ: Yeah, CSIS is part of that actually.

MR. BOLTEN: Yeah.

MR. SCHWARTZ: We're one of the sponsoring organizations.

MR. BOLTEN: Yeah, and it's a – it's a great program. And we appreciated very much having the opportunity to send a few of our CEOs. And the ones that went – the ones that went were Dennis Muilenburg from Boeing, Mary Barra from GM and Alex Gorsky from J&J. And it was an opportunity for them to not just, you know, talk, go straight in and talk policy, but tell some of their own personal stories about where they're – where they came from and what their aspirations are for their companies and workers. And that's an – it's that kind of opportunity where you actually begin to show Alexandria –

MR. SCHWARTZ: Ocasio-Cortez, yeah.

MR. BOLTEN: – Ocasio-Cortez, somebody like that, that a Mary Barra is not really coming from all that different a place. I mean, Mary started out putting mufflers on Pontiacs was the – was the beginning of her career. And so as we think about making our arguments to an audience that isn't necessarily receptive at the outset, it's opportunities like that where we begin to show, hey, these are – you know, these CEOs are real people who are trying to do the best for their workers, not just increase their own pay and increase the dividends.

MR. MILLER: Yeah, they're not Scrooge McDuck sitting in his vault, you know, tossing gold coins.

MR. BOLTEN: They are not. They are not. And those – and that's the people that I see every day at the Business Roundtable. And that's part of our job is to portray that to a lot of new and now increasingly important members in the Congress whose first inclination is to be hostile to corporate leaders.

MR. MILLER: Well, and, look, at a practical level, you need 218 votes to pass an implementing bill in the House. You actually don't care where those votes come from. It doesn't matter who does it. I mean, for years Mrs. Jackson Lee of Texas was a hard no on trade agreements. But in 2015 when the bill on Trade Promotion Authority was about to fail in the House, Mrs. Jackson Lee voted aye and so these things happen. And all you needed was 218.

MR. SCHWARTZ: Well, there used to be a civil discussion around trade, right? I mean, there use to – it used to be it was an issue, like a lot of issues in national security, where you could have a civil policy discussion, but now trade has become a lot more politicized and we have The Trade Guys, you know, talking about this on our – on our show.

MR. MILLER: Well, honestly, it's become a lot more complicated, too. And that's one of the reasons it's gotten difficult for members.

MR. SCHWARTZ: Yeah. But we're now in 2019 and we've got a Democratic Congress, we've got a Republican Senate, we've got an administration that isn't getting along with some people in its own party and it's not getting along with – certainly getting along with Democrats. How is there going to be a civil discussion on trade?

Like, let's take the USMCA where, you know, you have some disagreements with them, but you're working through it with them. Is there likely to be a civil process here where we can work through policy on trade, like, that it's this critical to our country and our national security, without having a complete political blowup?

MR. BOLTEN: Well, that's our job and so I certainly hope so. It's our job to advance that civil discourse.

You know, one of the – one of the problems with trade debates – it's always been true, but it's even more so now – is that trade becomes a surrogate for almost every kind of social ill. So you can't – it's impossible to hold back the tide of technological change, as much as people might try to, but no one will say I'm trying to hold back technological progress. What they will say is I'm trying to prevent the foreigners from being unfair to us. And politically, people resonate with that and that's always been true going back to the days when, you know, Bill Reinsch and I were first working in the Senate 30-some years ago, but it's more true today. And there are a lot more people who feel that they have been victimized by globalization, many with some justification. And if we're going to do our job right, we need to speak to those people and the members who represent them.

MR. REINSCH: Well, you know, the roundtable in the past has produced, I thought, some really useful and important studies on exactly that point, talking about the benefits of trade, the benefits of globalization to everybody and to working people.

Unfortunately, you know, memories tend to be short and, you know, something you did five years ago nobody remembers now. Partly in my case it's dementia setting in. (Laughter.) But in most cases, you know, it just –

MR. MILLER: Well, in the case of the Congress, they weren't here.

MR. REINSCH: And in the case of Congress, they're all new. Do you have anything new in the works? I mean, do you see, you know, some, I mean, actual research coming out that's going to help shape the debate?

MR. BOLTEN: Yeah, we've –

MR. SCHWARTZ: Well, you guys talk a lot about worker retraining.

MR. BOLTEN: We do. But we also have done some over the course of the last year or so on the benefits of trade and we've tried to break it down by state so that the story is as local as possible. And we've also tried to, in particular, to demonstrate the benefits that NAFTA brought to the country. Because one of the – one of the challenges we face is that really no party has found it in its political interest to highlight what I firmly believe is the truth about NAFTA, which is it has – it has been

overwhelmingly positive, not just for Mexico and Canada, but for the United States economy and that the loss of NAFTA would be devastating to hundreds of thousands, maybe millions of the working people whom President Trump is trying to protect and promote.

MR. MILLER: This is a really tough job, though, because you have 25 years of the critics never stopping in their criticism.

MR. BOLTEN: Yeah. Right.

MR. MILLER: And the proponents of the NAFTA – we were doing something else I guess – but no one was responding to the criticism.

MR. BOLTEN: Staying quiet. Well, here's a – here's a criticism I have of the Obama administration. And I don't intend it to be partisan. But, I mean, I give the Obama administration a lot of credit for a lot of things they did, including the vigorous pursuit of the Trans-Pacific Partnership. But President Obama tried to slice the salami a little too thin and he went around saying NAFTA bad, TPP good. And if the president is saying NAFTA bad, there's going to be nobody out there defending it and giving the – giving the positive side of the story, which I believe is the overwhelming side of the story.

And so you go into an election like 2016 when both candidates are trying to outdo each other. It's almost an accepted catechism that NAFTA has been bad for the working man and then they try to outdo each other in their opposition to TPP and the U.S. economy is badly harmed by that.

MR. REINSCH: So let me ask for a projection then. We are probably facing a situation where the president at some point is going to announce he's going to withdraw from old NAFTA. And that leaves the Congress with a choice: vote for my new NAFTA or nothing. What do you guys do at that point? And how will that influence the debate? Congress can't possibly be happy about that because they're being jammed and they'll moan and whine and complain and that doesn't mean that they won't do what he wants in the end. But how do you react in that situation? Because it creates the possibility of what I agree is the worst of all worlds, which is nothing, you know, no old NAFTA and no new NAFTA.

MR. BOLTEN: Yeah. And you and I are in agreement on that certainly that, you know, old NAFTA was, from my perspective, with some tweaks, working extremely well. New NAFTA, I think, would also be very positive for the U.S. economy. No NAFTA would be a disaster.

And that's one of the reasons why we have done our best from day one of the Trump administration to discourage the president even from threatening withdrawal from NAFTA, because even that alone has detrimental effects. I'm inclined to agree with you that if the situation begins to look difficult enough for the administration, that the president will be very tempted just to withdraw from NAFTA and then give the Congress a stark choice between his new USMCA and no NAFTA. I happen to think that would be a big mistake because it would likely repel the very Democratic votes, moderate Democratic votes that we were just talking about, from supporting.

MR. REINSCH: And it sounds as if Lighthizer believes that, too. But we'll see what happens.

MR. BOLTEN: I think so. I think so, but, you know, as with many things, I think it's just going to come down to a presidential instinct about how to handle a negotiation.

MR. MILLER: Well, it's a strange instinct to be prepared to do harm to the U.S. economy right before your reelection campaign starts.

MR. BOLTEN: Yeah.

MR. MILLER: But then again, he's not a – he's not a normal politician.

MR. BOLTEN: It reminds me – it reminds me of “Blazing Saddles” where the – where the sheriff puts the gun to his own head. (Laughter.)

MR. MILLER: I think he's really serious.

MR. BOLTEN: Right and says, you know, nobody move or the –

MR. MILLER: Sheriff gets it.

MR. BOLTEN: Or the – or the orange-haired guy gets it.

MR. SCHWARTZ: And how do you prepare for this kind of presidential instinct? How do you prepare for that?

MR. BOLTEN: You know, it's hard to prepare, but we are advocating strenuously and at every occasion we get to the administration and to the president directly that withdrawal from NAFTA would be a huge mistake. And we remain at least cautiously optimistic that the new NAFTA can be put through the Congress without resorting to that very dangerous threat. Because it – I mean, once the president actually pulls that trigger, there may be no way to un-pull it. And that really does court disaster in the – in the U.S. economy and for the ordinary – for the ordinary working man and woman.

So that's the case we've been taking to the president. The president likes CEOs. He's always been very receptive to listening to our folks. So we do everything we can on that score.

MR. SCHWARTZ: He likes CEOs and he likes generals until he doesn't.

MR. BOLTEN: The members of the roundtable, even though very few, if any of them actually worked with him in his business career, these are the types of folks that he's – that he's accustomed to, have been dealing with in his business life. He views them as peers. And they are folks who tend to speak pretty candidly, even to powerful people.

MR. SCHWARTZ: Which he likes and respects.

MR. BOLTEN: Which I think he likes and respects. And so –

MR. REINSCH: Do you think he likes people telling him he's wrong?

MR. SCHWARTZ: I don't know about that, but I think he likes people who he considers peers telling it like it is.

MR. BOLTEN: Yeah, I agree with that.

MR. REINSCH: Well, as long as they tell him he's right.

MR. SCHWARTZ: I don't know.

MR. BOLTEN: No, no, no. I've had several of our CEOs go in and have very direct conversations with the president where they just disagree. And it has not been, according to their reports, it has not been disagreeable.

MR. REINSCH: Good.

MR. BOLTEN: The president seems to welcome that conversation.

MR. SCHWARTZ: I'm going to ask The Trade Guys and then you, Josh, if you had to predict what's going to happen with the new NAFTA, USMCA, and old NAFTA, what would you say?

Scott?

MR. MILLER: I think the bill faces an uncertain future in the Congress. And my reasons are pretty straightforward. First, I think that this is a unique sort of backfooted approach by the administration. This administration did not build its grassroots coalition before and during the negotiation; and therefore, it doesn't have one when the negotiations ended. They did not do the kind of vote-by-vote and company-by-company work that has been done in the past and is sort of – was a core – it was a core element to every successful campaign.

Second, I think that there is a great underestimation by the administration of how complicated trade is for the Democratic Party at this point, particularly House Democrats, given their fundraising sources, given their vote histories. This is really a tough issue. It was tough for Mrs. Pelosi in her first speakership. The first time that the Congress passed a bill that did not have a majority of Democratic support, it was – it happened – it happened with the Peru free trade agreement. U.S.-Peru FTA passed the Congress in her speakership, did not have a majority of Democrats supporting it. These votes are very difficult.

And the third reason is the Congress, when it doesn't want to do something, has awesome, awesome skills to not deal with it and to push it off into the future. And I think that I agree with Bill, who has made the comment a number of times, that there will be a frontend renegotiation probably of the labor provisions. But even after that happens, I think both the absence of a – of a grassroots coalition that is supportive of the new agreement, not just nodding their head, but is willing to go advocate for it, and the complexity of the party, that this will – this bill just won't come up in the House, in my view.

MR. SCHWARTZ: Bill Reinsch?

MR. REINSCH: Well, I'm in a different place. I think it's going to come up, I think it's going to pass, I think it'll be done by the August recess. I think there will be a lot of drama between now and then, major drama.

I think the Democrats will do what Scott just said I said they would do, which is say it's not good enough, we need more. They'll focus on labor because that's something that is near and dear to their hearts and near and dear to their pocketbooks as well.

And I think it's an area where the administration actually can get more. Other people, possibly including the roundtable, will try to climb aboard the train and say, well, if you're going to fix one thing, here are five more things you ought to fix and we'll see, you know, how long the train gets before that happens. But at some point, Ambassador Lighthizer goes and does something, comes back with something.

The happy-ending scenario is the Democrats say, ah, you know, it was no good before, we made you fix it and you did fix it and now some of us, not all of us, but some of us can vote for it. And you get the Republicans who I think will vote for it because – the pro-trade Republicans will vote for it because net it's a good agreement. The antitrade, if you will, Republicans will vote for it because Trump has given them cover. Who's going to be more protectionist than Donald Trump? If he says this is the greatest agreement ever – which is what he'll say, we know that, safest prediction of all – then who in his party is going to stand up and say no, it's not? So I think you put the coalition together that way.

What he will do – and this will put Josh in an awkward position – is I think he will at some point announce he's withdrawing from the – from the old NAFTA, because for him it's about leverage and that's the way he thinks he'll leverage the Congress. And I hate to say it because it's a hardball play and it's annoying, but I think it'll work. He will leverage the Congress.

But at the end of the day, I think the bulk of them will analyze the situation actually in the way that Josh has analyzed it, which is the worst-possible outcome here is nothing. And if you're going to take away one choice and leave us with a binary choice of passing the new one or nothing, I think more of them are going to opt for passing the new one.

I think – and Scott and I disagree on this part – that, you know, once the president ultimately submits a bill, you know, then there's a clock and they have to deal with it unless the speaker does what she did on –

MR. MILLER: Colombia.

MR. REINSCH: – Colombia in '08 and pulls the plug.

MR. BOLTEN: Panama and Korea.

MR. MILLER: Yes.

MR. REINSCH: And I have a feeling this time around that I just don't think that – I don't think they'll do that. I think the situation in her own caucus is going to be more complicated. And this is what we were talking about earlier. There's a lot of people that have not changed their views about trade generally, about the impact of globalization on the worker. I think you're going to hear from all those people. You've heard from all of them so far.

MR. MILLER: Yeah.

MR. REINSCH: But you haven't – what you haven't heard from a lot of them is and what you haven't heard from the Democrats for the last two years is that they've tended to oppose not so much the policy, but the implementation of the policy and the collateral damage. He's not doing it right, there's not enough consultation, there's not enough transparency and they're hurting all these other people. The tariffs, for example, are hurting various actors.

MR. SCHWARTZ: He's not doing it the way he's supposed to be doing it.

MR. REINSCH: He's not doing it the way he's supposed to do it. That leaves them an opening to come back and say do it a better way and we can support it. So I think – I think they get there, but with a lot of drama in between.

MR. MILLER: Now, just keep in mind we're sitting here forecasting that Speaker Pelosi is going to assist the president in keeping a major campaign promise, which is renegotiating NAFTA.

MR. REINSCH: But this is the Democrats –

MR. SCHWARTZ: This is why you think there's no way.

MR. MILLER: Well, look, we're sitting here in now, what, tomorrow will be the longest-ever government shutdown, because of a campaign promise.

MR. SCHWARTZ: Tomorrow it's 19 days, 20 days?

MR. REINSCH: Yeah.

MR. MILLER: Something like that.

MR. REINSCH: Josh may disagree with me on this, but one of the Democrats' great weaknesses is at the end of the day they do what's good for the country, unlike the Republicans. (Laughter.)

MR. MILLER: The resistance is strong, my son. The resistance is strong.

MR. SCHWARTZ: This is – this is – see? I knew – I knew – I knew The Trade Guys would heat up at some point, man. Oh!

MR. REINSCH: At the end of the day, they will fold because they care about the country and they know that this is the right answer.

MR. MILLER: Well, this is going to be fascinating to watch.

MR. REINSCH: The Republicans will –

MR. SCHWARTZ: You're sitting next to two compassionate conservatives, I want you to know.

MR. REINSCH: Is that right? Josh and who else?

MR. SCHWARTZ: Scott, yeah. They do the right – they do the right thing, too.

MR. REINSCH: But they're not in charge.

MR. MILLER: I also care about the country.

MR. SCHWARTZ: Yeah, I mean –

MR. REINSCH: Trump's in charge.

MR. BOLTEN: I wouldn't try to characterize this debate as to who cares most about the country. (Laughter.)

MR. REINSCH: I was goaded into it by Andrew.

MR. BOLTEN: There will be – there will be heavy politics here.

MR. MILLER: Yes.

MR. BOLTEN: I come out closer to Bill than I do to Scott on this question. I am cautiously optimistic that somehow a path will be found to get this done probably in 2019. But, you know, there's one – both of you all just talked about elements that can be thrown in by the administration to make it easier to get the votes that they need, especially in the House. And there's one element that I think is critical in that and that is the removal of the steel and aluminum tariffs –

MR. MILLER: Agree completely.

MR. BOLTEN: – from at least Mexico and Canada.

MR. MILLER: Agree totally.

MR. BOLTEN: That has been a huge problem economically. And now to have cascading behind it the threat of doing the same with all auto trade I think really poisons the well up on the Hill. So the one step that I think the administration can take to make the Bill Reinsch scenario the much more plausible one is to reach some kind of accommodation which lets at least Canada and Mexico out from under the very damaging steel and aluminum tariffs that are in place and then correspondingly permits Canada and Mexico to remove the retaliation that they've put on U.S. exporters, especially agricultural exporters.

(Music plays.)

MR. SCHWARTZ: To our listeners, if you have a question for The Trade Guys, write us at TradeGuys@CSIS.org. That's TradeGuys@CSIS.org. We'll read some of your emails and have The Trade Guys react to it. We're also now on Spotify. So you can find us there when you're listening to the Rolling Stones or you're listening to Tom Petty or whatever you're listening to you can definitely listen to The Trade Guys.

Thank you, Trade Guys.

MR. MILLER: Thanks, Andrew.

MR. REINSCH: Thank you.

MR. SCHWARTZ: You've been listening to The Trade Guys, a CSIS podcast.

(END)