U.S. Senator Maria Cantwell

Appearance on CNBC "Squawk Box"

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AUDIO VIDEO

Andrew Ross Sorkin: Welcome back to Squawk Box. This morning, President Trump vowing to hit countries around the world with tariffs equal to what those nations charge the U.S. In a post on Truth Social this morning, he said, quote, "THREE GREAT WEEKS, PERHAPS THE BEST EVER, BUT TODAY IS THE BIG ONE: RECIPROCAL TARIFFS!!! MAKE AMERICA GREAT AGAIN!!!," he says with exclamation points.

Our next guest is a staunch critic of the President's recent tariff action. Joining us is Senator Maria Cantwell, Democrat of Washington State. She's the Ranking Member of the Commerce Committee. Good morning to you. Your reaction to the idea of reciprocal tariffs, just on the face of it, this morning?

Sen. Cantwell: Well, this is the fourth week of the Trump Administration, and I would hope that we would have been hearing about how we're lowering costs on housing, food prices, and drugs, and instead, we're now in – it almost seems like a tariff tantrum, like we're just going to tariff everything.

And what I would like to see is an engagement by both Democrats and Republicans pushing back on this notion that a tariff everything strategy is the way to get out of this situation.

Sorkin: Do you see any value in tariffs? I mean, I think that part of the conundrum right now is there probably is a reasonable conversation we have about some tariffs, I just don't know if it becomes so political that one side thinks we should tariff everything, and the other side says we should tariff nothing.

Sen. Cantwell: Well, I saw yesterday that Mitch McConnell put out an opinion piece about how tariffs are taxes on agricultural products, manufacturing products, and I know that I've had conversations with my colleague Rand Paul, so I know there is bipartisan concern about this.

What I'm trying to articulate is I think this is the wrong strategy at the wrong time. We are in a more globalized economy. We're in an innovation, Information Age economy, and I think alliance building gets us further in offsetting our adversaries and moving forward.

I believe in a technology NATO. Let's get the democracies and the sophisticated tech nations working together on, this is the rules of the road for AI and for no government backdoors, and things of that nature. And I think that would be a better strategy.

[CROSSTALK]

Sorkin: Senator, I was just going to ask you what your what your take was on DOGE and the work that Elon Musk has been doing, either how excited you are, or how concerned you are.

Sen. Cantwell: Listen, everybody thinks there can be more government efficiency. My side of the aisle has a group of senators that have been talking about efficiencies in health care for a long time, focusing on what are more, better outcomes at lower costs. And we should pursue those.

In fact, [in Washington state] we have probably one of the lowest reimbursement rates for Medicare in the nation, and yet we deliver better outcomes. So why can't we move more of the country to that?

But when you're in surgery, you don't take a hammer, okay? And Elon Musk thinks he can take a hammer to the federal government. He's even getting rid of an idea, the Development Finance Corporation, lawyers that really were Trump's idea, Jared Kushner's idea, to go and do M&A deals with other countries on critical minerals, and he's decimating that organization. So how does that make sense?

So, I think if you wanted to set a goal and you wanted to set an idea, that would be a better tactic.

But back to the tariffs. You have information yesterday on inflation that is starting to show concerns here. We know that tariffs are the start of a dispute. They're not the end of dispute. And in my state, because we're a very trade dependent state, we have seen -- and I've been critical of Obama's tariffs. I've been critical of Biden's tariffs. What I want people to understand is we live in a world, now, where alliances and dealing with these issues in a coalition basis will get us further, because 95% of consumers are outside the United States.

Sorkin: So you don't believe that this is a larger negotiating tactic? Meaning, is there any argument that you could see of having value, in terms of trying to reset the relationship that the U.S. has with other countries that do tariff us?

Sen. Cantwell: On principles, on principles. When Ben Franklin went to France and said, "Hey, let's work together," that was based on a principle, but this administration seems to be throwing out the principles and just going with the hammer. And what I think is so important in this environment is that we set this conversation based on alliances.

So, in the last Trump administration, he did the same thing. This time, he's going faster and basically cut hundreds of apple jobs in my state that never recovered.

But it decimated a \$120 million market, and then, basically, because of the retaliatory tariffs, we were without an apple market to India. I worked in the Biden administration to get that restored.

So, what people don't understand is, in this environment, you don't just lose farmland, because actually, Bill Gates or somebody will buy it, you're losing farmers. And right now, the world – we should be opening up markets. We should be opening up agriculture opportunities around the globe.

Joe Kernen: Senator, tariffs are coming, it looks like, but there aren't any new ones yet. The only ones we have now are the ones that the Biden administration left on, that the Trump administration put on. Have you been lobbying non-stop the Biden administration to get rid of those tariffs?

Sen. Cantwell: Yes, Joe, I can send you a lot of interchange between myself and Katherine Tai on this, and definitely did not agree with their lack of opening up markets. I just voted against the USTR nominee yesterday because we have gone in the opposite direction that we need to be going.

We need to be saying that we believe in opening up these markets and believing in a relationship. So, when Katherine Tai said, "I'm going to be the trade ambassador, but we're not going to articulate a strategy for opening up new markets." No, that was not acceptable.

So, the fact that we passed the CHIPS and Science Act allowed India to want to come to the table and say, "Okay, well, I want some of that. I want some of that CHIPS and Science." And I said to the Biden administration, no way in heck we're allowing that to happen unless you get the apple market reopened.

And thank God we did. But what people need to understand is that tariffs are just the beginning of a fight. They are not the end of the fight. And once you throw down, then it's just a cavalcade. And so, the point is now: who are we hurting? Well, consumers can get hurt, certainly, farmers can get hurt, and we need a better strategy than this.

Sorkin: Senator, it is great to talk to you today. I'm sorry about a little bit of the delay when we were going back and forth, but we look forward to talking again very, very soon.

Sen. Cantwell: Thank you.

Sorkin: Thank you.