



Trade War

April 4, 2025

As Jeremy Seigel, the esteemed finance professor from the Wharton School of Business, said this morning, “I think this is the biggest policy mistake in 95 years.”

We agree.

And while we’re still unsure of what the real goal is, we’re pretty sure of this:

A comprehensive, sustained, protectionist trade policy specifically designed to force businesses to relocate manufacturing back to the U.S. will almost certainly galvanize retaliation and result in shortages, inflation, likely recession, and significant financial losses.

This will be the near unanimous opinion of all significantly interested parties, and will eventually bring a vigorous retort, and, in our opinion, a political and legal challenge to the president’s authority to attempt such a radical change. Recall that the original tariffs were authorized under a special condition whereby the president can declare a trade emergency and bypass congress’ constitutional authority. No trade emergency exists, in our opinion, beyond that which they have created; therefore, Trump’s actions are unconstitutional.

We don’t believe such a monumental and destructive policy can be sustained, so, therefore, it won’t be. One way or another, Trump will be backing

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down. When and how? Nobody knows.

We're taking measured steps to address what is clearly a worse outcome than we imagined; however, we aren't going to panic out of world-class businesses for transient policy misadventures.



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