

BREAKING

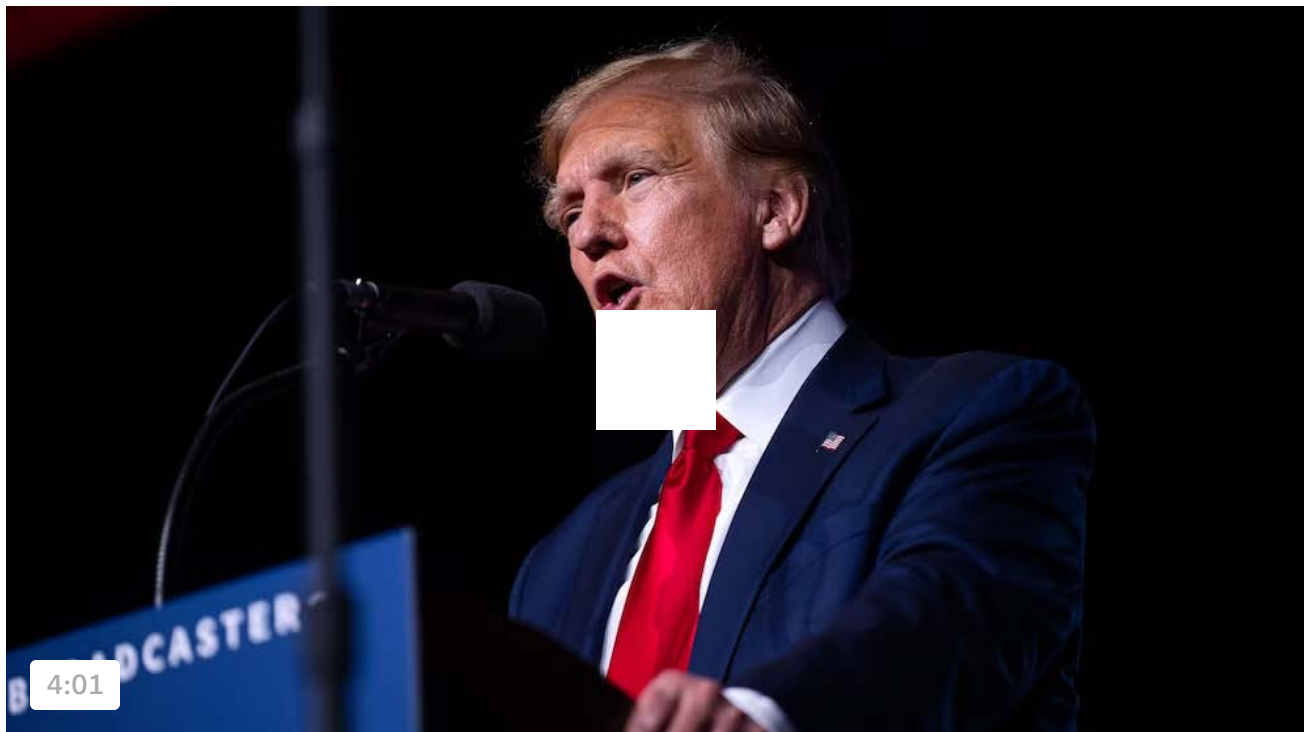
Supreme Court allows strict Texas immigration law to take effect for now

Donald Trump wants to escalate a US trade war. Did it work the first time?

Trump has proposed tariffs that could reshape the economy, experts say.

By [Max Zahn](#)

February 25, 2024, 6:02 AM



If the US economy is strong, why are so many Americans struggling?

Inflation, debt and rising costs are overshadowing low unemployment and a strong GDP.

John Hoge has run a family-owned sporting goods business in Long Island, New York, for decades, selling kayaks and paddle boards imported mainly from [China](#).

In 2019, Hoge said, the company faced an emergency. Then-President Donald Trump imposed a 25% [tariff](#) on the vast majority of the company's products, said Hoge, co-owner of Sea Eagle Boats.

"We had shipments that were already on the water waiting to get in port that suddenly were 25% more expensive," Hoge told ABC News, saying the added cost forced him to raise prices. "It was jarring."

Even after receiving an exemption from the tariffs, his company shifted most of its supply chain out of China as a precaution, Hoge said. Either way, Hoge added, the business has never sourced products from the U.S.

"This is not an industry that had a substantial U.S. presence and fired everyone. It never existed here," Hoge said, noting that domestic manufacturing for these products would bring added costs and higher prices.

"If you want to involve the American middle class in the outdoors, you need products that the American middle class can afford," Hoge said.

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On the campaign trail, Trump has [vowed](#) to escalate the trade war initiated during his first term. However, studies have shown that his trade policies fell short of promises made to rejuvenate U.S. manufacturing and spur job growth. In some cases, analysts told ABC News, the policies harmed U.S. producers while raising prices for consumers.

A heightened trade war over a long period could expand certain areas of U.S. manufacturing, some analysts said. But, they added, the move would come at significant cost for consumers already worn out by inflation.

"The tariffs raised costs for American businesses and raised some prices for American consumers," Inu Manak, a fellow for trade policy at the Council on Foreign Relations, told ABC News. "And there's quite a bit more Trump could do."

In response to ABC News' request for comment, the Trump campaign defended the tariffs, adding that the U.S. economy will benefit from Trump's plans to address immigration in a potential second term.

"President Trump's plan to close the border and deport illegals is America's only hope for economic survival, and his return to maximizing domestic oil and gas production will create an economic boom and bring inflation to zero, as it did in his first term," Karoline Leavitt, the campaign's national press secretary, told ABC News in a statement.

Stephen Moore, who previously served as an economic adviser to Trump and says he has helped shape Trump's 2024 agenda, [previously told](#) ABC News that escalating tariffs would hinder foreign producers and make domestic industries more competitive.

In turn, the policy would create jobs and boost manufacturing in the U.S., Moore said.

"Trump wants jobs here in America," Moore added. "He wants things made in America."

During his tenure, Trump placed tariffs on aluminum and steel from a host of countries, including Mexico, Canada and the European Union.

Meanwhile, he taxed hundreds of billions of dollars worth of goods from China, raising import costs for everything from shoes to BMX bikes to computer chips.

In all, the U.S. levied tariffs on thousands of products valued at approximately \$380 billion in 2018 and 2019, according to an analysis by the nonprofit [Tax Foundation](#).



In this Nov. 9, 2017, file photo, President Donald Trump and Xi Jinping, China's president, sh... [Show more](#) ✓

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Trump's tariffs decreased U.S. employment by 166,000 jobs, the group found, citing increased import costs for U.S. employers.

A nonpartisan working paper [released](#) by a global team of researchers last month focused on the consequences wrought for the Midwest. The study found little effect on jobs in the region in industries directly affected by the tariffs, while noting a slight decline in employment as a result of retaliatory tariffs placed on U.S. goods.

When asked about the trade war's objectives of job creation and rejuvenated manufacturing, Mary Lovely, a senior fellow at the Peterson Institute for International Economics, said, "There's no evidence that it achieved these goals."

On the other hand, the tariffs hiked prices for some U.S. goods, since many U.S. importers passed the elevated costs along to consumers, Lovely said.

Tariffs placed on washing machines in 2018, for instance, raised the price of these appliances by 12%, according to a [working paper](#) from researchers at the University of Chicago and the Chicago Federal Reserve.

To be sure, the measures have succeeded in reducing the share of U.S. imports that come from China, though the trend has coincided with an increase in share from Mexico and Vietnam, which some analysts attribute to the use of those countries as a pass-through for Chinese goods.

President Joe Biden, for his part, has kept many of the tariffs in place.

Ken Fritz, who works at North Carolina-based manufacturer Marsh Cabinets, said he welcomes further tariffs as a means of protecting U.S. cabinet producers against low-cost Chinese alternatives.

He criticized Chinese firms for flooding the market with cheap cabinets, saying those companies have found ways to circumvent tariffs imposed in 2019. American importers may suffer under tariffs, Fritz acknowledged; but he said observers shouldn't overlook U.S. manufacturers that face unfair competition from abroad.

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"What about the manufacturers that have to close their doors, that lose thousands of jobs?" Fritz said. "The climate needs to continue to be pro-American-made products."

Trump has recently vowed to expand the trade war if he takes office next year, promising to impose tariffs on most imported goods. Speaking with [Fox Business](#) in August, Trump said the tax on imported items could ultimately stand at 10%.

Earlier this month, when asked by [Fox News' Maria Bartiromo](#) whether he would consider implementing a 60% tariff on Chinese goods, Trump said:

"No, I would say maybe it's going to be more than that."

Eswar Prasad, a professor of trade policy at Cornell University, said such a policy would dramatically impact the U.S. economy, sending prices skyward while helping some domestic industries and hurting others.

"Imposing a 60% tariff would turn a fence into essentially an impenetrable barrier," Prasad told ABC News. "It would shut the U.S. out of the global trading system."

"There could be some benefits in terms of employment growth in the U.S.," He added. "But overall, history shows restricting trade can end up having negative consequences that far outweigh positive ones in terms of employment growth in domestic industries."

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