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A New Direction for Trade: End Trump's War on the Consumer

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President Donald Trump is proud of his trade policy. “The world’s most beautiful word in the dictionary is tariffs. It’s my favorite word.”¹ He claimed, “I stood up to China like no administration has ever done before.”² Most recently, he insisted that “Every price is down.”³

By any objective measure, Trump’s trade policies have failed. China was ready for Trump and posted a one trillion dollar global goods trade surplus through the first 11 months of last year, blowing past all previous years and all forecasts.⁴ China stopped buying American soybeans, putting growers in the crosshairs and contributing to a US farm recession.⁵ In response, TACO Trump showed up (Trump Always Chickens Out), and he made a series of humiliating and baffling tariff reversals after markets plummeted. Meanwhile, the American consumer has been saddled with high costs, climbing inflation, and growing unemployment. Under Donald Trump’s trade policies, China has unquestionably won, and the American consumer has lost.

The rest of the world is baffled and so is American industry. Nearly every product from overseas costs more—from coffee beans, avocados, and tomatoes to copper, timber, and auto parts. Our best friends and trading partners are now our worst enemies, and every nation is looking for a way to decouple from America’s meandering trade stumbles and to seek more stable partners elsewhere. It’s no wonder that two out of three Americans are concerned about the impact of tariffs.⁶

Democrats now have the opportunity to flip the script on Trump, turning what was perceived as a strength of his America First movement into a significant electoral weakness. But we can’t do that by simply harkening back to a Clinton-era approach on trade, nor can we double down on protectionism. **We need to end Trump’s war on the American consumer with a new approach: *Families First Trade*.** This approach would dramatically lower costs for families, protect them from countries that try and cheat us, and spread benefits more widely.

The Need for a New Democratic Approach

The last two Democratic presidents to engage in major trade policy debates were Presidents Barack Obama and Bill Clinton. They understood that trade is essential, as three-quarters of the world’s purchasing power and 95% of consumers on the globe live outside of the United States.⁷ But the world, and our politics, has changed significantly since then. **Today, the costs the country is paying are too high—too high for consumers, too high for our national security, and too high for workers.** Because of that, Democrats need a new approach to trade that recognizes three core things:

First, lowering consumer costs must be the central focus. Past Democratic trade deals focused primarily on boosting US businesses, building and strengthening alliances, and writing international rules. Deals under Trump have leaned on tariffs to protect domestic industries, pressure countries, and reward ideological allies. Yet, today, affordability is issue #1 for voters because costs have decimated family budgets. In light of that, the Democratic approach to tariffs and trade must shift focus to dramatically lowering costs for working- and middle-class families.

Second, China is (still) a security problem. China continues to steal IP, force companies to hand over technology, illegally dump goods, break international agreements, and use their state-run system to prop up industries. The United States must stand up to Chinese overreach—substantively and politically—but tariffs are not the only tool to do that. There is a whole suite of regulatory actions America can employ, from sanctions to export controls.

Third, worker disruption cannot be ignored. Past trade deals either ignored economic disruption to certain geographies and industries—or papered over solutions. For example, Trade Adjustment Assistance was designed to help workers displaced by trade, but it is hard to access and ineffective at getting people trained and employed. Looking forward, the Democratic approach must ensure prosperity flows to more places and disruption is recognized and effectively countered.

New Vision for Trade: End Trump's War on the Consumer

The next Democratic president needs to end Trump's war on the American consumer with a new approach that we're calling ***Families First Trade***. It would dramatically lower costs for families, protect them from countries that try and cheat us, and spread benefits more widely. Here's how:

First, zero out all tariffs on essentials for working- and middle-class families. The next Democratic president should pledge to immediately lower prices by erasing all tariffs on all things that lower- and middle-class families rely on. Clothes, food, school supplies, pharmaceuticals—if it goes in a shopping cart, the tariff tax needs to be repealed. Demand that savings be passed on to consumers. Tariffs should also be eliminated on any materials that go into the building of homes—from lumber to aluminum—to immediately alleviate the cost of building.

Second, hold bad actors accountable. When countries like China cheat international rules or illegally dump goods, the next Democratic president should fight back with a broader

array of tools. They can use sanctions, export controls, technology restrictions, block foreign acquisitions or outbound investment, withhold foreign assistance or military cooperation, use quotas, and more. There may be a need for a small number of strategic tariffs on select things like silicon chips, next-gen energy, and the like to bolster US businesses and emerging industries against these bad actors where we have strategic needs or competitive advantages.

Third, spread benefits further. A portion of foreign direct investment should be dedicated to a federal trust fund that supports economic revitalization in underdeveloped or hollowed-out regions of the United States. This fund would finance initiatives that rebuild local economies with infrastructure upgrades, small business lending, workforce retraining, and investments in public education. The next Democratic president should also commit to drastically increasing the amount of small business exports. This can be done by reducing the red tape on trade by modernizing and streamlining trade facilitation at US Customs and Border Patrol, creating one-stop shops that provide a single portal for small businesses to understand duties and regulations, increasing the scope and reach of export support programs (like Gold Key Service at Commerce), and directing as much Ex-Im funds to small businesses as large ones, and more.

Underpinning a new Democratic approach to trade must be a clear rejection of Trump's crony capitalism. Trump and his family have benefitted more than anyone—more than American consumers, American security, and American workers. That must stop. But a Democratic approach should go beyond that, charting out a new family-first approach that relentlessly lowers costs and ends Trump's broader war on consumers.

ENDNOTES



- 1.** “Trump comes to Chicago to insist tariff is ‘world’s most beautiful word’ – and Jan. 6 was ‘love and peace.’” Chicago Sun-Times. NPR Illinois. Oct 2024. <https://www.nprillinois.org/government-politics/2024-10-16/trump-comes-to-chicago-to-insist-tariff-is-worlds-most-beautiful-word-and-jan-6-was-love-and-peace>. Accessed 13 Jan 2026.
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- 4.** “China’s Trade Surplus Climbs Past \$1 Trillion for First Time.” New York Times. Dec 2025. <https://www.nytimes.com/2025/12/07/business/china-trade-surplus.html>. Accessed 13 Jan 2026.
- 5.** “The Looming Recession.” Third Way. Nov 2025. <https://www.thirdway.org/memo/the-loomng-farm-recession>. Accessed 13 Jan 2026.
- 6.** “2026 Economic Outlook, December 2025.” Marist Poll. Dec 2025. <https://maristpoll.marist.edu/polls/2026-economic-outlook-december-2025/>. Accessed 13 Jan 2026.

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