

Opinion **Trade Secrets**

Kamala Harris remembers the consumer cost of worker-centred tariffs

The Democratic candidate makes a welcome attack on Donald Trump's reckless trade plans

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Kamala Harris greets Joe Biden at the Democratic convention in Chicago this week. The pair have been driven to invoking consumer interests in opposing Donald Trump's tariff plans © Jacquelyn Martin/AP

Alan Beattie 11 HOURS AGO

Having watched Joe Biden retain most of the tariffs he inherited, America's trading partners have been fond of complaining the US president is "continuity Trump" and wondering whether Kamala Harris will be continuity Biden. The first epithet was never entirely fair: Trump's focus was on closing trade deficits and gaining negotiating leverage, Biden's mainly about industrial policy. Now Trump is threatening a massive and damaging escalation of trade protection, Harris only has to keep Biden's policies in place, as she probably will, and she will look positively free-trade Clintonesque (Bill not Hillary) in comparison.

Trump's actual policy positions are never entirely clear, of course, but he seems determined to justify the superhero-style "Tariff Man" title he awarded himself during his first-term presidency. His platform envisages a [policy of reciprocity](#), setting import taxes on trading partners equivalent to those exacted on US exports. (Those American farmers sheltering behind high tariffs might get nervous about thereby being exposed to competition from low-cost foreign rivals, but details, details.) He also wants a baseline 10 per cent tariff on all imports and 60 per cent on goods from China, and [last week suggested](#) the 10 per cent might go to 20.

In [private discussions](#) Trump has reportedly floated the idea of using tariff income entirely to replace revenue from the federal income tax. It's an idea so stupid you feel

entirely to replace revenue from the federal income tax. It's an idea so stupid you feel it ought spontaneously to combust on contact with air: the plan would be [literally impossible](#) to implement, given how much tariffs of the requisite size would choke off imports. But at any rate Trump and Robert Lighthizer, his former US trade representative and continuing adviser, are genuine nostalgics for the high tariffs of the 19th century, which they credit for the US's rise to economic dominance.

Biden's watchword has been a "worker-centred trade policy", though in practice that of course means protecting some workers (steel and aluminium, autos) at the expense of others. Democratic veterans of the Clinton and Obama era both inside and outside the Biden administration, including former and present Treasury secretaries [Larry Summers](#) and [Janet Yellen](#), argued for some of the Trump tariffs to be reversed to reduce inflation. They lost that debate, but Trump's tariff plans are so extreme that even Biden and Harris have been driven to invoking the interests of consumers in opposing them.

Happily, this message dovetails neatly with Harris's recent pivot towards reducing consumer inflation by preventing "price gouging", apparently an attempt to combat the widespread if erroneous public belief that Biden's economic stimulus caused the surge of higher prices in the US in 2021 and 2022. Harris's anti-gouging plans are so vague that the universe of possible outcomes ranges from business as usual to full-blown Soviet Gosplan communism with prices set by fiat from Washington, though the smart money is towards the status quo end of the spectrum.

At any rate, her [launch](#) of the price control plan last week was accompanied by an explicit repudiation of Trump's new tariffs: "These actions stand in stark contrast to Trump, who would increase costs for families by at least \$3,900 with what is, in effect, a new national sales tax on imported everyday goods."

The consumer-focused critique is not new from this administration — Biden made [similar comments](#) about Trump's 10 per cent across-the-board proposal — but it does illustrate the gulf in policy and messaging opening up with the Republicans. It also has the virtue of being somewhat accurate. The various academic estimates of the impact of past Trump tariffs on the US economy vary somewhat, with at [least one](#) finding that the hit was absorbed by American companies rather than passed on in prices. But [most conclude](#) that [US consumers suffered](#), including by having to buy more expensive substitutes than the [taxed imports](#). [One estimate](#) of the impact of Trump's 10/60 per cent proposal suggests it will cost less well-off households 3.5 per cent of their after-tax income.

Let's be clear: Harris hasn't repudiated the trade and industrial policy elements of

Bidenomics, [and is unlikely to](#). But the Democrats are at least charting a steady course that balances their desire to protect industries they deem strategic with the need to hold down economy-wide inflation. Meanwhile, Trump is sailing off towards areas of the trade policy map marked “Here Be Dragons”. Clear blue water is emerging between the Republicans and Democrats, and the idea that second-term Trump trade policy would resemble that of a Harris administration is rapidly receding.

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