

Trump's plan to make inflation grow again

Letter to the editor, [Brunswick Beacon](#), 08.08.24

June's consumer price report showed falling prices produced a 3% annual inflation rate, the biggest monthly decline in overall inflation since May 2020. "In a boost for consumers, U.S. inflation is cooling faster than expected," said CBS News. Investors expect the Federal Reserve to cut interest rates this fall.

The greatest threat of inflation spiking is if Donald Trump becomes president. Sixteen Nobel prize-winning economists signed a statement saying "Joe Biden's economic agenda is vastly superior to Donald Trump's," and that "Trump will re-ignite inflation, with his fiscally irresponsible budgets." Trump's budgets added \$8.4 trillion to the national debt, more than double Biden's.

In a separate Wall Street Journal survey of 50 economists, a clear majority concluded that Trump's policies will trigger inflation.

Economists blame Trump's proposal to replace income taxes with tariffs: 10% across the board, 60-100% on Chinese imports. But the Chinese, and other foreign importers, don't pay it! Tariffs simply empty the wallets of American consumers who end up paying more for imported goods.

Tariffs are sales taxes on imports that hurt low- and middle-income consumers hardest, because they spend a larger share of their income on goods and services than rich Americans. In a recent study by the non-partisan Peterson Institute for International Economics, Kimberly Clausing and Mary Lovely concluded that the result is a massive wealth transfer from the poor and middle-class to the richest one-%.

"If you are an economist, you know right away that tariffs are taxes. If you put a tariff on imported goods, it means they become more expensive," which allows domestic competitors to also raise prices, Clausing told CBS MoneyWatch. Trump is selling "snake oil," added Lovely. Trump's first-term trade war with China cost us \$23 billion in lost farm income!

Trump's tariff lunacy would reignite inflation, wreck the economy, create stagflation, kill jobs and push the country to the brink of a depression.

Ron Veronese
Holden Beach

