

# What's going on with tariffs?

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On April 2, 2025, *Liberation Day*, Donald Trump announced his sweeping tariffs plan and sent the global economy into a tailspin. Markets fluctuated wildly as governments, businesses and consumers struggled to make sense of the president's response to what he sees as the exploitation of the U.S. by the rest of the world. Two recent articles, one posted on the [Foreign Policy in Focus](#) website and the other on [Common Dreams](#), put the tariffs question into a broader context and provide some helpful insights on how to respond.

[Geostrategic analyst Imran Khalid](#) notes that Trump sees trade as a zero-sum game, one country's gain is another's loss. He does not understand the complexity and interdependence of the modern global economy. For example, vehicles manufactured in the U.S. contain many imported components which will be subject to tariffs. These increased costs will be passed on to consumers, significantly raising the sticker price of a new car.

Global response to Trump's tariff plan has been critical. Some countries are already contemplating retaliatory tariffs that could be devastating, especially to U.S. agriculture and put additional pressure on already struggling rural communities.

[Iza Camarillo, Research Director for Public Citizen's Global Trade Watch](#), places the tariff controversy within the larger context of corporate globalization. She says that trade agreements such as NAFTA (North American Free Trade Agreement) and its successor USMCA (US Mexico Canada) prioritize corporate interests "that made offshoring easier, gutted environmental protections, and prioritized investor rights over worker rights."

These agreements also hindered the capacity of governments to support domestic industries, raise labor standards or enforce environmental protections as these measures were seen as impediments to free trade. The result has been stagnant wages, shuttered factory towns and rising income inequality leading to widespread pain and frustration among U.S. workers. She warned that "trade justice requires more than poorly designed tariffs. It demands systemic reform: binding labor rights, climate protections, resilient supply chains, and democratic accountability. Trump offers none of that."