

The Delray Democrat

Trump Blinked^{1,2}

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David Sanger of The New York Times [recently began an article about Donald Trump](#) as follows: “After weeks of bluster and escalation, President Trump blinked. Then he blinked again. And again.”

More recently, Sanger wrote that opponents were [learning Trump’s negotiating style](#), which he summarized as “maximalist, issuing a huge demand, creating a crisis and setting off a high-pressure negotiation. But increasingly often, he ends up backing down and simply declaring a win.”

In reality, President Trump has yet to achieve anything remotely approaching a trade-related win since returning to the White House. The best he has managed is to avoid the even greater losses that would have followed had he failed to blink.

For example, “loss” is the only way to describe his decision last month to lower tariffs on all countries (except China) to 10% for a three-month period to allow negotiations. Previously the tariffs ranged from 39% on goods from the European Union to nearly 100% on goods from Southeast Asia. By blinking, Trump ensured that the dollar’s status as a “safe-haven currency” was only threatened rather than completely lost.

“Loss” is also the only way to describe Trump’s dropping the tariff on China from 145% to 30%. And it represents a realization that Trump started a trade war “that China is infinitely better positioned to win.” China was already moving to shift exports to other countries and has access to countries other than America for goods it currently imports from America. As The Wall Street Journal editorial board pithily put it, “The President started a trade war with Adam Smith. He lost.”

These losses are presented as wins by the rightwing media, which is why the butcher at my greenmarket is far from alone in celebrating Trump’s latest “victory.” It remains to be seen whether he, along with tens of million more Americans, will continue to believe Trump rather than their “own eyes” when stagflation returns.

Companies are already warning that the tariffs will force them to raise the prices they charge consumers, and Mattel, Chlorox, and Denny’s recently reported that sales are already down as consumers reduce purchases in anticipation of those higher prices. The Fed will be faced with the same Hobson’s choice it faced back in the late 1970s and early 1980s. If they lower interest rates to reduce the likelihood of a recession, they increase the likelihood of runaway inflation.

¹ Originally published in the [Palm Beach Post](#), May 22, 2025.

² [The Delray Democrat](#), May 2025, page 6.

During his first term, Trump blamed the COVID-19 pandemic for wrecking the economy. This time around, he will have no one to blame but himself.