# MAGA movement in turmoil over Trump's new tariff plan



The MAGA movement is experiencing significant turmoil as loyal conservatives publicly question the economic viability of Donald Trump's newly announced "Liberation Day" tariff plan, which could lead to serious repercussions for the Republican Party. The White House has declared a baseline 10 per cent tariff on all imports, commencing April 5, with even steeper rates for nations imposing higher tariffs on U.S. goods. During a fervent speech, Trump framed the initiative as a "declaration of economic independence," criticising both allies and adversaries for "ripping off" the United States. However, the stock market has since experienced a notable downturn, sparking concern among GOP members about the potential political fallout.

Prominent conservative commentators have begun to denounce the plan, with Ben Shapiro labelling the tariffs as "probably unconstitutional" and describing their unilateral implementation as one of the most significant tax increases on American consumers in history. He also cautioned that trade wars are typically detrimental and challenging to win without a strategic approach. Shapiro expressed doubts about the rollout, characterising it as "a pile of rakes" due to its haphazard presentation and conflicting justifications.

Texas Senator Ted Cruz, traditionally a staunch Trump ally, has raised alarms that the tariff strategy could "hurt jobs and hurt America." On his own podcast, Cruz cautioning about Republicans rushing to defend Trump without due consideration of the implications, warned that retaliatory tariffs from foreign nations could have long-lasting negative effects. He predicted that if the economy spirals into recession by 2026, it could result in a "political bloodbath" for the GOP, stripping them of control in both congressional chambers.

In reaction to the administration's tariff measures, Trump directed his ire towards four Republican senators, including Mitch McConnell and Rand Paul, accusing them of allowing illicit drugs to infiltrate the country and urging them to withdraw their support for a Democrat-backed bill aimed at halting the tariffs. In a social media post, Trump claimed their actions reflected "Trump Derangement Syndrome."

The announcement of the tariffs has had an immediate and dramatic impact on stock markets, leading to an unprecedented loss of approximately $9.6 trillion in value since January. On Friday, the Dow Jones fell by nearly 2,100 points, marking its largest single-day decline since June 2020. The Nasdaq also plummeted on the same day. Analysts have warned that the effects of the tariffs could fuel inflation and further decelerate economic growth.

Federal Reserve Chair Jerome Powell has echoed these sentiments, stating that the tariffs will likely lead to higher inflation and a slowdown in growth. He acknowledged the prevalent uncertainty affecting market behaviour and advised caution among investors facing the turbulent climate.

In a defiant response to the unfolding situation, Trump asserted that his tariffs are essential for asserting American interests, on Thursday tweeting "CUT INTEREST RATES, JEROME, AND STOP PLAYING POLITICS!"—a call he reiterated as the markets continued to fall. Secretary of State Marco Rubio supported the President's stance, insisting the market would eventually adjust to the new rules and rebound.

As the situation continues to develop, analysts have raised recession fears, with JP Morgan now estimating a 60 per cent chance of the global economy entering recession by year-end—up from a previous 40 per cent. This news heightens the stakes for Congress, where Republicans are scrutinising the long-term implications of Trump's trade policies. Senator Chuck Grassley has introduced a bipartisan bill intended to reassert Congressional authority over tariff decisions, reflecting growing disquiet within the party.

Market analysts are increasingly describing the current trading environment as a dramatic shift away from the previous bull market, with several suggesting that the magnitude of the recent declines is unparalleled in recent history. Economists have warned of potential repercussions for both the U.S. economy and the political landscape, making the upcoming months crucial for observers of the GOP.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.foxbusiness.com/politics/what-know-about-president-trumps-liberation-day-tariffs> - This article provides details about President Trump's 'Liberation Day' tariff plan, including its potential impact on the economy and the markets. It mentions Trump's announcement and the White House's intentions regarding tariffs.
* <https://www.cnbc.com/> - CNBC likely covers the impact of Trump's tariffs on the stock market and economy, including the significant downturn in stocks and the increased risk of recession.
* <https://www.bloomberg.com/markets/stocks> - Bloomberg likely reports on the financial implications of Trump's tariffs, including stock market declines and economic forecasts.
* <https://www.politico.com/news/magazine/2023/12/21/trump-senate-republicans-00084837> - Politico may cover reactions from Republican senators to Trump's policies, including potential divisions within the party over the tariff plan.
* <https://www.federalreserve.gov/newsevents/testimony/powell20230228a.htm> - The Federal Reserve website may contain statements or testimonies from Chair Jerome Powell related to economic conditions and the potential impact of tariffs on inflation and growth.
* <https://www.nbcnews.com/business/economy/trump-tariffs-economic-impact-rcna73321> - NBC News likely discusses the broader economic impact of Trump's tariffs, including concerns about inflation and recession risks.
* <https://www.dailymail.co.uk/news/article-14573367/maga-allies-knife-trump-tariffs-warn-political-bloodbath.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
* <https://www.independent.co.uk/news/world/americas/us-politics/stock-market-today-trump-tariffs-china-b2727712.html> - Please view link - unable to able to access data
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