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## COMMENTARY: a 'SHINING CITY ON A HILL'? Not anymore.

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The de minimis exemption, which exempts from tariffs imports under \$800 sent directly to individuals, has been terminated by the Trump administration for goods originating from China and Hong Kong. These imports are now subject to either a 30% tariff or a flat fee of \$25, which will rise to \$50 on June 1. Rates and restrictions may vary slightly depending on whether the goods are delivered via private carriers or the U.S. Postal Service.

Trump's stated rationale is to combat fentanyl imports, declaring it an international emergency. This new rule also applies to transshipped goods — Chinese products routed through intermediate countries.

Trump has promised to extend this policy to other nations. This new move marks yet another unfortunate escalation in Trump's ongoing trade war with China and a broader attack on the rules-based global trading system. Of course, the looming 145% minimum tariff on Chinese imports remains an [even greater threat](#).

To me, the hastily announced U.S.-China talks to be held in Geneva to discuss Trump's erratic trade actions are more smoke and mirrors by the Trump administration.



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The de minimis exemption dates back to the [Tariff Act of 1930](#), enacted during the Hoover administration as part of the infamous Smoot-Hawley legislation, which deepened the Great Depression and fueled global protectionism. Ironically, the exemption was created to allow the secretary of the treasury some discretion to ease the burden of such protectionist tariffs. Trump's move

**blatantly contradicts that original purpose — it tightens trade flows rather than eases them — and it delivers a serious blow to global commerce.**

**This new tariff policy will restrict consumer access, limit small business operations, increase inflation and disproportionately hurt low-income Americans. It has already disrupted supply chains, container shipping and U.S. port operations.**

**The damage is already being felt — and more is coming. Businesses, merchants and consumers are reacting quickly. Even foreign consumers in Canada and the EU are turning away from American products. As always, economic data lags behind reality, but the next round of figures will surely expose the fallout. This is, plainly put, unfortunate protectionism.**

**Historically, trade sanctions and economic restrictions rarely succeed. More often, they backfire — triggering retaliation through counter tariffs, or worse. (Consider Pearl Harbor, a partial response to the U.S. embargo on oil shipments to Japan.) Upon [announcing his retirement](#), Warren Buffett aptly stated: “Trade should not be weaponized. Let countries do what they do best.” That’s classical economic logic and it has worked for decades.**

**So why impose a [46% tariff on Vietnam](#) today? Despite a devastating war in which millions of Vietnamese died in what they call the “American War,” Vietnamese today love Americans. Since the 1970s, the U.S.-Vietnam relationship has been a rare diplomatic success. But one must ask: Can the boy from Queens even locate Vietnam, India or Shenzhen on a map?**

**Trump’s tariffs will restructure global trade to America’s grave disadvantage. Domestically produced goods will become more expensive and lower in quality. Worse still, mechanisms like “exemptions” enable cronyism, benefiting the well-connected while bypassing the broader public interest. This is not good governance — it’s a scheme for self-enrichment, for family and friends. The administration has already begun to unravel into a chaotic mess — more**

resembling the cast of a true crime mystery series than a functioning executive branch.

Disturbingly, some Republicans continue to support these policies, abandoning their party's longstanding commitment to free trade. Gov. Glenn Youngkin has inexplicably continued to support Trump's tariffs, despite the clear damage China's retaliatory tariffs are already causing Virginia farmers, particularly soybean exporters.

However, opposition is growing. More than [200 legal cases have been filed](#) against various actions of the Trump administration, with over 100 temporary restraining orders issued. And some in the GOP are pushing back. Virginia Republican George Allen, a former governor and U.S. senator, [publicly condemned](#) Trump's tariffs last week, calling them glaringly unconstitutional and a usurpation of Congress' constitutional authority over taxation and trade.

#### [Commentary: Virginia must stand up to Trump on trade \(Malawer\)](#)

Even the Senate has begun questioning the administration's use of obscure laws and self-serving legal interpretations, a [recent anti-tariff resolution](#) (supported by Virginia Sen. Tim Kaine) only failed because two pro-trade senators were not available to vote. The resolution would have condemned the misuse of national security and national emergency provisions under the International Emergency Economic Powers Act (IEEPA) to justify tariffs. Trump has now suggested needing tariffs on foreign movies to protect national security. Seriously?

Fortunately, Congress and the courts are beginning to push back against Trump's destructive policies. Most recently, [courts have ruled](#) against Trump's absurd reliance on foreign invasions, under the 1798 Alien Enemies Act, as a basis for deporting migrants.

**The revocation of the de minimis exemption opens the door to illicit trade, while undermining the business models of modern e-commerce platforms like Shein, Temu and Amazon. It will do nothing to revive U.S. textile production. There is no new investment coming to textiles in North Carolina, Virginia or Mississippi. That industry has been dead for decades.**

**A personal note: my father was the founder and CEO of an apparel manufacturing company located in New York City. It was a nonunion shop, employing mostly immigrants at the lowest possible wages. Even then, jobs began to disappear in the early 1970s and 1980s. First to Mississippi, and then to China under long-term supply contracts. Even rock-bottom wages couldn't save the industry. The jobs are gone and they're not coming back.**

**Those displaced workers adapted. New York City evolved further into a global center for trade, finance and technology. Many former factory workers leveraged their foreign backgrounds into import-export businesses, logistics and international investment. Meanwhile, the president from Queens — who once faced housing discrimination charges in the 1970s — still does not understand the dynamic economies of American cities.**

**[Commentary: Federal courts, Congress standing up to Trump on tariffs? There's hope \(Malawer\)](#)**

**The future of the U.S. economy lies in innovation, technology, services and global trade. This is especially true for Virginia, which was founded as a trading colony and today is deeply meshed with the global economy. For example, each Virginia-class submarine has almost 10,000 pounds of magnates processed from rare earth minerals from outside of the United States. Through the outstanding efforts of county and state economic development agencies, such as the Virginia Economic Development Partnership, as well as the outstanding public university system, Virginia is aggressively preparing our workforce for a hyper-competitive global market.**

**Boeing already has enough problems without new retaliatory tariffs by China or the EU. What's worse? Trump's misplaced national security rationale for tariffs or the actual dangers he is creating to U.S. national security? We need thoughtful, forward-looking policies, not reactionary measures driven by grievance and resentment. Protectionism, isolationism and the abandonment of a rules-based global trade system will only lead to economic decline.**

**We have a crisis, not of tariffs nor economics, but of geopolitics.**

**The post-World War II rules-based trading system, long championed by the United States, has been undermined by the Trump administration. Now is the time to reinvigorate that system and recommit to the trade rules enacted by Congress and embraced by our global partners. The prosperity of the U.S. and the world depends on it.**

**To quote the late President Ronald Reagan: Is America still the “shining city on a hill”?**

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