

Trump Downplays Economic Concerns as He Looks to Cut Trade Deals

The president and his advisers feel somewhat more confident about the economy

By Alex Leary
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WEST PALM BEACH, Fla.—President Trump is minimizing concerns over further economic turmoil as he moves forward with trade negotiations and steps up pressure on Congress to pass a tax-and-spending bill.

In the coming week, the White House aims to announce at least one deal with a country seeking to escape higher tariffs, according to a senior administration official. Trump in return is seeking an array of benefits, including agreements that trading partners purchase more U.S. goods and curb non-tariff barriers.

The president and his advisers are feeling somewhat more confident about the economy, this person said, amid some signs of resiliency, including a streak of [stock-market gains](#) and a [better-than-anticipated jobs report](#) on Friday.

In an interview that aired Sunday, Trump described the country as in a transition period and left open the possibility of an economic downturn. “Anything can happen,” Trump said on NBC’s “Meet the Press” when asked if a recession could happen. Still, he emphasized that he believes his policies will trigger a historic boom. He described the economy as “partially” his and no longer that of his predecessor, [Joe Biden](#), saying “the good parts” are his.

Trump is seeking to reshape decades of free-market thinking in the GOP and use tariffs as a tool to bring back domestic manufacturing. His actions have gone further than many expected, and a series of starts, stops and pauses in enacting his agenda have fanned economic anxiety.

Many economists still expect a trade-induced slowdown later this year. The [“big, beautiful” bill](#) Trump and the GOP are banking on is no sure bet to deliver on its promises of boosting the economy. Legendary investor [Warren Buffett](#), breaking his silence on tariffs, criticized protectionist policies over the weekend. “Trade should not be a weapon,” he said at [Berkshire Hathaway’s](#) annual meeting.

Trump has paused sweeping tariffs on dozens of countries to allow for negotiations but has kept in place severe levies on Chinese imports, which have already led to some consumer-price increases. The president has played down concerns, saying last week that “maybe the children will have two dolls instead of 30.” Pressed on those comments

Sunday, he insisted people could do with less. “They don’t need to have 250 pencils. They can have five,” he said on NBC.

“We don’t have to waste money on a trade deficit with China for things we don’t need, for junk that we don’t need,” Trump said. He pointed to lower gasoline and food prices. Asked about rising concern from small businesses, Trump ruled out possible measures to grant relief.

“They’re not going to need it,” he said. “They’re going to make so much money.”

Republican strategist Marc Short, who served in the first Trump administration, said the toll of Trump’s trade war would soon be more visible—and criticized the president’s quip about dolls. “I don’t know if there is a restriction on what, you know, Ivanka or Tiffany could have,” he said on NBC, referring to Trump’s adult daughters. “But I think that is sort of a ‘let them eat cake’ moment.”

Not everyone in Trump’s camp is as bullish as he is, according to the senior administration official, but top advisers don’t see a recession coming. Trump’s team continues to field calls from business interests worried about the impact of tariffs; Trump recently said he would soften the blow of tariffs on the auto industry, preventing duties on foreign-made cars from stacking on top of other tariffs he has imposed and easing some levies on foreign parts used to manufacture cars in the U.S.

The U.S. economy contracted in the first three months of 2025, as businesses rushed to stock up on imports ahead of the Trump administration’s tariffs and consumer spending slowed. Democrats are portraying Trump’s trade policies as chaotic and have seized on rising prices.

“[Donald Trump](#) and House Republicans promised to bring about a golden age in America,” House Minority Leader Hakeem Jeffries (D., N.Y.) said Saturday on social media. “Apparently they left out the part about crashing the economy and triggering a recession.”

Yet there are signals of optimism in the markets. The S&P 500 just completed a nine-day streak of gains, the longest since 2004, rising around 10% to erase the steep losses that came after the president’s tariff details last month. It is now down only 3.3% for the year. Bond yields and the dollar have stabilized.

Republicans on Capitol Hill are turning to the [tax-and-spending bill](#), which would extend cuts made during the first Trump administration. That would provide some certainty to businesses and households, but that might get swamped by the tariffs and many voters wouldn’t see quick tangible benefits. Fights over cuts to Medicaid outlays and adjustment of the state-and-local tax deduction are still to be resolved in the package. GOP leaders have said they want it signed into law by July 4.

There remain few signs of movement in possible talks with China, which has hit back with its own tariffs. The Wall Street Journal reported Friday that Beijing is considering ways to address the Trump administration’s concerns over [China’s role in the fentanyl](#)

[trade](#), potentially offering an off-ramp from hostilities to allow for trade talks to start. The Trump administration has been considering slashing the 145% tariffs on Chinese imports in a bid to de-escalate tensions but has said it won't act unilaterally.

“At some point, I’m going to lower them because, otherwise, you could never do business with them,” Trump said on NBC.

But while he has signaled openness to doing deals—a prospect that has helped fuel markets’ recent rally—Trump said he wouldn’t take the possibility of permanent tariffs off the table.

“I wouldn’t do that because if somebody thought they were going to come off the table, why would they build in the United States?” he said.