



History of U.S. Tariffs

George Washington

(1789–1797)



Tariff Implemented: Tariff of 1789

Purpose: To generate revenue for the federal government and protect emerging American industries.

Geopolitical Context: Post-Revolutionary War, the U.S. sought economic independence and stability.

Economic Lesson: Early tariffs can effectively support government funding and nascent industries in a developing economy.

Thomas Jefferson

(1801–1809)



Tariff Implemented: Embargo Act of 1807

Purpose: To pressure Britain and France to respect American neutrality by halting all foreign trade.

Geopolitical Context: Ongoing conflicts between Britain and France threatened American merchant ships.

Economic Lesson: Comprehensive trade embargoes can have detrimental effects on the domestic economy and may not achieve desired diplomatic outcomes.

Warren G. Harding

(1921-1923)



Tariff Implemented: Fordney–McCumber Tariff of 1922

Purpose: To raise tariffs on imported goods, protecting U.S. factories and farms.

Geopolitical Context: Post-World War I recession and a desire to protect domestic industries from foreign competition.

Economic Lesson: High protective tariffs can lead to international retaliation, reducing global trade and potentially harming the domestic economy.



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Herbert Hoover

(1929-1933)



Tariff Implemented: Smoot–Hawley Tariff Act of 1930

Purpose: To protect American jobs and farmers by increasing tariffs on over 20,000 imported goods.

Geopolitical Context: Onset of the Great Depression with rising unemployment and falling prices.

Economic Lesson: Protectionist policies during economic instability can worsen the situation by stifling international trade and deepening economic contractions.

Franklin D. Roosevelt

(1933-1945)



Tariff Implemented: Reciprocal Tariff Act of 1934

Purpose: To authorize the president to negotiate tariff reductions on a reciprocal basis with other nations, aiming to reduce tariffs and expand international trade.

Geopolitical Context: Global economic downturn during the Great Depression, with a need to stimulate economic recovery through trade.

Economic Lesson: Cooperative tariff reduction can promote global trade and economic recovery, moving away from protectionist policies.



History of U.S. Tariffs

Ronald Reagan

(1981-1989)



Tariff Implemented: 1980s Japanese Tariffs

Purpose: To secure reciprocal market access, counter unfair trade practices, and reduce large trade imbalances.

Geopolitical Context: In response to Japan's growing trade surplus and restrictive market practices, the U.S. imposed targeted tariffs and voluntary export restraints. These actions aimed to protect key domestic industries—including semiconductors—and encourage Japanese investment in U.S. manufacturing.

Economic Lesson: The measures led to increased Japanese investment in the U.S. and a temporary reduction in trade tensions. However, critics argue they distorted market dynamics and did not resolve the underlying structural trade issues.

Donald Trump Term 1

(2017-2021)



Tariff Implemented: China Tariffs

Purpose: To protect U.S. industries, rebalance trade relationships, and pressure China into fairer trade terms.

- Section 232 tariffs: 25% on steel and 10% on aluminum, applied globally to address national security concerns.
- Section 301 tariffs: 25% on a broad range of Chinese goods to counter intellectual property theft and unfair trade practices.

Geopolitical Context: Signaled a shift toward economic nationalism and skepticism of globalization, breaking from decades of free-trade policy.

Economic Lesson: Led to a trade war, imposing higher costs for U.S. manufacturers and retaliatory tariffs, particularly harming U.S. agriculture. While it brought some trade negotiations, most tariffs remained in place, influencing a more protectionist stance across both parties.



History of U.S. Tariffs

Joe Biden (2021–2025)



Tariffs Implemented: Targeted tariffs on strategic goods imported from China, including increases on electric vehicles, solar cells, and critical minerals.

Purpose: To protect and promote growth in critical sectors such as renewable energy and advanced technology.

Geopolitical Context: Aimed at addressing unfair trade practices and supporting domestic industries vital for national security and technological leadership.

Economic Lesson: Strategic and targeted tariffs can support specific domestic industries but require careful consideration to balance protection with potential consumer costs.

Donald Trump Term 2 (2025-Present)



Tariffs Proposed: Plans to expand broad tariffs on China, along with Canada and Mexico, including additional tariffs on all steel, aluminum, and foreign cars.

Purpose: To protect domestic jobs and industries, reduce trade imbalances, and leverage tariffs to pressure foreign policy and immigration reforms.

Geopolitical Context: Inflation concerns, global trade shifts, and a political push for economic nationalism and “America First” policies.

Economic Lesson (Emerging): Universal tariffs may risk inflation and strain trade relations; tariffs need strategic clarity to avoid economic backlash.