

Gábor Csizmazia¹

The Tariff Policy of the Trump Administration²

U.S. President Donald Trump began to apply tariffs at an unprecedented scope and scale in 2025. While presidential authority enables the targeted use of trade policy, the Trump administration's thinking and practice has revealed a broader function of tariffs. The aim of the analysis is to review the Trump administration's tariff policy, specifically to outline its rationale, i.e. the causes, purposes and functions of tariffs. The article argues that tariffs are not just components of trade policy, but also instruments of foreign policy: through its securitisation efforts, the Trump administration has made trade and security issues more interrelated in American foreign policy. The article highlights this phenomenon through examples in transatlantic relations.

Keywords: trade, tariffs, securitisation, foreign policy, transatlantic relations

Introduction

Donald Trump announced his reciprocal tariffs on 2 April 2025³ with a scope and scale (at least two digits for almost every country) that was unprecedented in modern American trade (even by the standards of his first presidency). In fact, the Trump administration's tariff policy has had the potential to undermine the global trading system, and in a way, it was meant to do so: Washington had already stepped on the path of protectionism and voiced concerns about the political, economic and social shortcomings of over-liberalised trade relations. Thus, Trump's tariffs are central components of a new American trade policy, despite the fact that the United States Supreme Court decided that the Trump administration cannot issue tariffs the way it did.⁴ However, the excessive use of tariffs has revealed another phenomenon. After several decades Washington has abandoned the bifurcation of trade and security relations. This means that on the one hand, security issues (such as defence cooperation) now play a role in reaching economic objectives (trade deals), while on the other, reaching foreign policy objectives (such as addressing territorial disputes) relies on economic hard power (tariffs and sanctions). Thus, Trump's tariffs are central components of a new American foreign policy. Both of these developments have occurred strikingly in transatlantic relations.

¹ Gábor Csizmazia is a Senior Research Fellow and Head of the Research Programme on American Studies at the John Lukacs Institute for Strategy and Politics, Ludovika University of Public Service. E-mail: csizmazia.gabor@uni-nke.hu

² This study is an extended version of the analysis “The Impact of Trump 2.0 on Europe's Position in the Transforming World Order” published in John Lukacs Analyses on Global Affairs, 2025/7. The full paper is available at: https://www.uni-nke.hu/document/en-jli-uni-nke-hu/JL%20Analyses%20on%20Global%20Affairs_2025_2.pdf

³ The White House: *Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits*. [online], The White House, 02.04.2025d. Source: [whitehouse.gov](https://www.whitehouse.gov) [03.04.2025].

⁴ Zirpoli, Christopher T.: *Supreme Court Rules Against Tariffs Imposed Under the International Emergency Economic Powers Act (IEEPA)*. [online], Congressional Research Service, 23.02.2026. Source: [congress.gov](https://www.congress.gov) [28.05.2026], 1.

Tariffs in American trade policy

Rules-based instead of liberal order

The Trump administration has started to demolish the liberal international order of political and trade institutions. Washington has apparently turned against its own creation, although this is only partially true: instead of 'liberal', it is more apt to use the term 'rules-based' order, and from a U.S. perspective, this order is crumbling not because it was built on inappropriate values (democracy and free competitive trade), but because its rules have been broken, circumvented or exploited by many.

Indeed, compared to other countries, the United States had applied low tariffs for decades.⁵ According to U.S. Trade Representative Jamieson Greer, Washington must break with a default trade liberalisation which others were only hoped to follow. Likewise, his Democratic predecessor, Katherine Tai wrote that, contrary to theory, trade liberalisation is divorced from democratic accountability.⁶ The American criticism also applies to international organisations responsible for enforcing trade rules: the World Trade Organization (WTO) has failed to enforce rulings that were in favour of the United States, or it has attempted to limit the American right to make national trade laws.⁷ Thus, Washington wants to replace comprehensive and open-ended trade liberalisation with a pragmatic trade regime⁸ that promotes the competitiveness of specific U.S. sectors and assures that its rules can be enforced. The American urge of restructuring stems from the view that trade liberalisation exacerbated the decline of U.S. manufacturing along with the dependence of certain industries from global production chains. Entering a period of intense geopolitical competition, the United States wants to develop capabilities to meet future military and economic challenges or, in short, to rebuild its domestic industrial base and its resilience.⁹

The increasingly protectionist thinking is a bipartisan phenomenon. Although Hillary Clinton labelled the losers of globalisation “deplorables” in 2016, she too eventually backed out of the Trans-Pacific Partnership, while in 2021 Joe Biden introduced a “foreign policy for the middle class” which was a euphemistic approval of the idea that earlier forms of free trade had overall hurt millions of Americans. The Biden administration did not

⁵ World Bank: *Tariff Rate, Applied, Weighted Man, All Products (%) – United States, European Union, Canada, China, Mexico*. [online], World Bank Group, 31.03.2025. Source: data.worldbank.org [27.03.2025].

⁶ Tai, Katherine: *Trade Must Transform its Role in the Social Contract*. [online], Financial Times, 28.05.2024. Source: ft.com [27.03.2025].

⁷ President Barack Obama blocked the filling of the WTO Appellate Body (withdrawing his support from the U.S. nominee in 2011, the Kenyan nominee in 2014 and the South Korean nominee in 2016). Hart, Nina M. – Murrill, Brandon J.: *The World Trade Organization's (WTO's) Appellate Body: Key Disputes and Controversies*. [online], Congressional Research Service, 22.07.2021. Source: congress.gov [27.03.2025], 2.

⁸ United States Senate Committee on Finance: *Hearing to Consider the Nomination of Jamieson Greer, of Maryland, to be United States Trade Representative, with the rank of Ambassador Extraordinary and Plenipotentiary*. [online], United States Senate Committee on Finance, 06.02.2025. Source: finance.senate.gov [27.03.2025], 00:57:00–00:59:10 minute mark.

⁹ Greer, Jamieson: *Opening Statement – Jamieson L. Greer Nominee for United States Trade Representative*. [online], United States Senate Committee on Finance, 06.02.2025. Source: finance.senate.gov [27.03.2025], 1–2.

even attempt to negotiate comprehensive free trade agreements, but rather focused on workers' rights and environmental issues. Ironically, the last free trade agreement ratified by Congress was Donald Trump's renegotiated NAFTA (or USMCA) deal between the United States, Mexico and Canada, with new elements on workers' rights and dispute settlement mechanisms that enjoyed Democrat support at home. Similarly, as Vice President J. D. Vance has talked about a "manufacturing comeback",¹⁰ President Biden promoted an "industrial strategy" that included embargoes, tariffs and non-tariff measures.¹¹

Imbalanced dynamics

One of the novelties of the Trump administration's tariff policy is the focus on imbalanced dynamics. Key among these is the increasing national debt. The level of public debt exceeded 100% of GDP in 2013,¹² and the interest payments as a share of GDP¹³ have been an increasing burden on the U.S. federal budget. In fact, interest payments (USD 882 billion) exceeded the defence budget (USD 874 billion) in 2024,¹⁴ as highlighted by Republicans in the election campaign. Of course, trade policy alone cannot solve the problem of debt. The United States has been running a trade deficit for decades,¹⁵ with imports now exceeding exports by almost USD 131 billion, due to an imbalance in the flow of goods (while in services, there is a U.S. surplus).

The problem is that the United States consumes more than it produces: this is true not only for the population but for the federal government as well, which has been running a budget deficit for most of the last forty years.¹⁶ In fact, the trade deficit can be understood as a symptom of the larger problem of overspending.¹⁷ The lasting solution to this problem would be to increase the cost-effectiveness of the federal government on the one hand, and productivity on the other. The Trump administration assumes that by reducing the size of government (in part through the actions initiated by the Department of Government Efficiency) and relaxing regulations (in particular by increasing energy production), it can get closer to reaching both goals. Meanwhile, Republican economic policy also includes a tax cut (an extension of the 2017 Trump tax cuts) which could be offset by tariffs and duties.

¹⁰ Vance, J. D.: *Remarks by the Vice President at the American Dynamism Summit*. [online], The American Presidency Project, 18.03.2025. Source: presidency.ucsb.edu [27.03.2025].

¹¹ Burns, Tobias: *How Trump and Biden Killed the Free-Trade Consensus*. [online], The Hill, 25.09.2023. Source: thehill.com [27.03.2025].

¹² Federal Reserve Bank of St. Louis: *Federal Debt: Total Public Debt as Percent of Gross Domestic Product*. [online], Federal Reserve Bank of St. Louis, 04.03.2025. Source: fred.stlouisfed.org [30.03.2025].

¹³ Federal Reserve Bank of St. Louis: *Federal Outlays: Interest as Percent of Gross Domestic Product*. [online], Federal Reserve Bank of St. Louis, 27.03.2025. Source: fred.stlouisfed.org [30.03.2025].

¹⁴ Hernandez, Fredrick: *Why the National Debt Matters for National Security*. [online], Bipartisan Policy Center, 14.11.2024. Source: bipartisanpolicy.org [27.03.2025].

¹⁵ Federal Reserve Bank of St. Louis: *Trade Balance: Goods and Services, Balance of Payments Basis*. [online], Federal Reserve Bank of St. Louis, 06.03.2025. Source: fred.stlouisfed.org [30.03.2025].

¹⁶ Federal Reserve Bank of St. Louis: *Federal Surplus or Deficit as Percent of Gross Domestic Product*. [online], Federal Reserve Bank of St. Louis, 27.03.2025. Source: fred.stlouisfed.org [30.03.2025].

¹⁷ Kamin, Stephen B. – Colton, William: *Trade Deficits are a Distraction – Focus Instead on the Debt*. [online], The Hill, 05.02.2025. Source: thehill.com [30.03.2025].

Thus, presidential rhetoric often refers to the importance of tariff revenues. Originally, the income side of the U.S. federal budget relied mostly (ca. 85%) on external revenues (tariffs or customs duties), whereas internal revenues (excise and direct taxes) were much smaller. However, the latter gained majority (ca. 63%) in total federal revenues by the second half of the 19th century, and since the 16th Amendment to the Constitution granted Congress the right to levy an income tax in 1913,¹⁸ the role of tariffs in federal budget revenues gradually decreased. Donald Trump's campaign rhetoric about re-shifting the emphasis from income tax to tariffs represented a U-turn in U.S. fiscal policy planning, although many economists questioned the feasibility of this idea.¹⁹ According to the Bipartisan Policy Center, the net tariff revenue in the United States was USD 194,9 billion in 2025 (nearly twice as much as in any year since 2020) and while tariffs' share in the federal budget revenue remained small (ca. 3,72%), it did step on a path of growth in 2025. In fact, the projections for the last quarter of 2026 show that the share of tariffs of the U.S. federal budget revenue would be higher than any time in recent memory (ca. 7,35–8,39%).²⁰

Regardless of whether such a shift is financially sound or not, politically it is meant to push the burden on Washington's trading partners. President Trump's executive order on "America First Trade Policy" did mention the review of tariff collection, but even more so emphasised the investigation of other countries' trade abuses (tariffs, non-tariff restrictions, currency manipulation) and related national security issues (strategic sectors, export controls, drug trafficking).²¹ In other words, tariffs are primarily corrective tools.

Coercive trade dealmaking with Europe

Perceived foreign abuses in trade are monitored by the United States Trade Representative (USTR) who is responsible for developing, coordinating and implementing U.S. trade policy. Accordingly, USTR Office produces an annual report on U.S. trade, supplemented by a National Trade Estimate (NTE) report on foreign trade barriers. The latter identifies government rules and practices that distort free trade and harm the flow of U.S. goods, services, investment and e-commerce abroad. Since the document is the result of a whole-of-government approach with a previous public call, the content of the 2025 NTE report is a compilation of comments spanning the Biden–Trump administrations.²² Donald Trump referred to this document when announcing his reciprocal tariffs in April 2025.

¹⁸ Hungerford, Thomas L.: *U.S. Federal Government Revenues: 1790 to the Present*. [online], Congressional Research Service, 25.09.2006. Source: everycrsreport.com [22.01.2026].

¹⁹ Jones, Ryan Patrick – Lawder, David: *Trump Says He Will Create New Agency to Collect Revenue from Foreign Sources*. [online], Reuters, 14.01.2025. Source: reuters.com [22.01.2026].

²⁰ Snyderman, Rachel et al.: *How Much are U.S. Tariffs Raising in Revenue?*. [online], Bipartisan Policy Center, 23.04.2025. Source: bipartisanpolicy.org [22.01.2026].

²¹ The White House: *America First Trade Policy*. [online], 20.01.2025a. Source: whitehouse.gov [27.03.2025].

²² United States Trade Representative: *2025 National Trade Estimate Report on Foreign Trade Barriers*. [online], Executive Office of the President of the United States, 31.03.2025. Source: ustr.gov [27.03.2025], 1–4.

The 2025 NTE report confirmed the importance of trade between the U.S. and the EU, but also stressed that some European barriers have persisted for years despite various attempts to resolve them (via bilateral consultations or WTO dispute settlement mechanisms). Table 1 describes the types and main (non-exhaustive) specific examples of trade-distorting practices used by Europeans from an American standpoint.

Table 1: Types and examples of trade-distorting practices used by the EU and its Member States from an American standpoint

Category	Main remarks and examples
Import policy	<p><i>Tariffs:</i> The EU meets the 5% average tariff value requirement under WTO rules (its tariffs are particularly high on fishery products, trucks and passenger cars, bicycles, as well as fertilisers and plastics). The EU uses a different measurement to determine tariffs on food products (based on their ingredients), imposing an unnecessary administrative burden on U.S. exporters. <i>Example:</i> The Italian customs authority is inconsistently calculating banana tariffs, despite transatlantic agreements and the decision by the Italian Supreme Court</p> <p><i>Tariff administration:</i> In the EU, customs administration is carried out by the Member States separately and with different interpretations of EU law, so American complaints must bring their legal cases to separate legal forums in each country, but resolving cases brought before the Court of Justice of the European Union is also time-consuming and costly. <i>Example:</i> Member States administer customs without a harmonised IT system and with different data templates</p>
Technical barriers	<p><i>Transparency and notifications:</i> Some stages of the EU legislative process do not provide meaningful opportunities for external actors to provide their opinions. <i>Example:</i> under EU rules on the classification of chemicals, external opinions are only received after internal consultations are concluded, while later (during negotiations between the Council, the Commission and the Parliament) not at all</p> <p><i>Standards:</i> the EU is trying to introduce exclusive standards that go beyond existing international standards or ignore external feedback. <i>Example:</i> the European Standardisation Strategy (2022) limits the involvement of non-EU stakeholders in the development of harmonised European regional standards, which excludes the previously assured U.S. participation in the field of ICT technologies</p>
Sanitary and phytosanitary measures	<p><i>Unjustified requirements:</i> the EU imposes food and environmental safety requirements on farmers that would protect people, animals and plants beyond the necessary level, without scientific justification. <i>Example:</i> the rules do not allow the sale of agricultural GMO products from the United States</p> <p><i>Certification requirements:</i> the EU has published at least 14 versions of the health certificate for certain U.S. agricultural products since January 2022, making the European market unpredictable for U.S. exporters</p>
Government procurement	<p><i>EU gap:</i> the EU is a party to the WTO Agreement on Government Procurement, and the EU directive on public procurement in the utilities sector requires open competition, but the latter cannot be fully implemented. <i>Example:</i> in the utilities sector, national governments under certain circumstances may reject bids with less than 50% European content</p> <p><i>Lack of transparency in Member States:</i> in many Member States, the public procurement system is not transparent and/or allows for the lowest price criterion to prevail instead of the full procurement lifecycle, complicates documentation requirements and favours domestic bidders. <i>Example:</i> Croatian, Greek, Hungarian, Lithuanian, Portuguese, Slovak and Slovenian public procurement</p>

Category	Main remarks and examples
Intellectual property rights protections	<i>Geographic indications:</i> The EU adopts regulations and international positions that, for certain products with common names, enforce the designation of origin of a given European geographical area against the external ‘trademark’ concept. <i>Example:</i> for certain cheeses and wines, American products with the same name cannot enter the European market (due to their origin), while European products with the same name (but not originating from the given geographical area) can <i>National regulations:</i> Member States have a high level of protection of intellectual property rights, but there are abuses in some countries. <i>Example:</i> counterfeiting of medicines in Belgium, Bulgaria, Germany, Poland and Romania
Services barriers	<i>Audiovisual media services:</i> an EU directive requires that at least 30% of the content offered by Internet-based video service providers must be European, but this is supplemented by Member States. <i>Example:</i> requirements and restrictions in Belgian, Danish, Dutch, French, Italian, Polish and Spanish regulations <i>Professional services:</i> some Member States apply additional conditions of bar membership. <i>Example:</i> Austrian, Belgian, Bulgarian, Croatian, Cypriot, Greek, Hungarian, Latvian, Lithuanian and Maltese practice
E-commerce barriers	<i>Digital service providers:</i> the European Commission has received delegated powers to impose certain fines on the largest online platforms (VLOPs). The first round of VLOPs was identified in 2023, and since most of them are U.S. companies, the regulation in practice disproportionately affects the U.S. side
Investment barriers	<i>Investor background:</i> EU law (with some exceptions) requires that a company registered in one Member State is treated equally in other Member States, but most of the rules regarding the first entry of investors from outside the EU fall under national competence, and therefore may be various and potentially disadvantageous. <i>Example:</i> Croatian, Cypriot, Danish, German, Hungarian, Italian, Latvian, Polish, Portuguese, Spanish and Swedish regulations
Government subsidies	<i>EU subsidies:</i> the EU advocates financial support for European fruit and vegetable producers, but from a U.S. perspective these are not transparent, raising the possibility of hidden subsidies. <i>Example:</i> support for Greek apricot producers <i>National subsidies:</i> although the transatlantic debate over subsidies for Boeing/Airbus has been temporarily suspended, there are still U.S. concerns about French, German and Spanish support for Airbus-related businesses
Other barriers	<i>Regulations related to greenhouse gas emissions:</i> the EU is preparing the application of its Carbon Border Adjustment Mechanism to offset the carbon intensity of imported goods, and it is currently uncertain whether U.S. exports would receive credits <i>Regulation of pharmaceutical products:</i> in some Member States, the system of reimbursements for medicines is opaque. <i>Example:</i> Austrian, Belgian, Czech, French, Greek, Hungarian, Italian, Irish, Polish, Romanian and Spanish regulations

Source: Executive Office of the President of the United States 2025: 129–162.

The 2025 NTE report expressed U.S. complaints that were not of Trumpian origin: most of them had arisen during the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) a decade ago and may have caused the TTIP’s downfall. Ironically, the last time the TTIP negotiations restarted was during the first Trump presidency, though

they stalled over disputes on agricultural products²³ and later the European Council decided not to conclude a free trade agreement with countries that were not part of the Paris Climate Accord. The Biden administration smoothed out several disagreements by making political gestures (e.g. establishing the Transatlantic Trade and Technology Council), resolving some trade disputes (e.g. introducing favourable quotas for steel and aluminium tariffs that otherwise remained in place), or simply postponing problems (e.g. agreeing with the Europeans that the transatlantic parties would suspend their punitive tariffs applied in the Boeing-Airbus case). However, the Biden administration never seized the opportunity to conclude a comprehensive transatlantic free trade agreement, as the above problems have been lurking in the background.

The fact is that tariffs were not the main obstacles to transatlantic free trade, so the NTE report barely mentions them. From a U.S. perspective, the main obstacles are the various regulations of the European Union and its Member States. This also explains why President Trump's announcement of reciprocal tariffs referred to 39% EU tariffs: this figure was the result of an estimate that linked (and controversially quantified) non-tariff measures with the overall low (on average 5%) European tariffs. Thus, the main aim of Donald Trump's 20% reciprocal tariffs (on top of the 25% steel and aluminium tariffs and the 25% vehicle and auto parts tariffs) was not about changing European tariffs, but rather changing various EU and national regulations. The novelty of the Trump administration's practice was that it applied coercive economic diplomacy instead of the friendly negotiations under the Obama administration.

Tariffs in American foreign policy

Tariffs authorities and functions

The 2025 National Security Strategy of the United States of America makes clear statements on the reasons, purposes and functions of U.S. tariffs, as well as the interrelation between trade and foreign policy. Firstly, the document confirms the position that earlier free trade practices have caused security problems in the United States, as “globalism and so-called ‘free-trade’ [...] hollowed out the very middle class and industrial base on which American economic and military preeminence depend”.²⁴ In accordance, the strategy urges to “halt and reverse the ongoing damage that foreign actors inflict on the American economy”,²⁵ specifically calling for “the strategic use of tariffs”.²⁶ Secondly, the document applies trade relations in the context of security relations with allies and partners. Specifically, it urges greater burden-sharing with “countries that willingly take

²³ Akhtar, Shayerah I.: *U.S.-EU Trade and Economic Relations*. [online], Congressional Research Service, 09.06.2023. Source: sgp.fas.org [27.03.2025], 1.

²⁴ The White House: *National Security Strategy of the United States of America*. [online], The White House, 11.2025c. Source: whitehouse.gov [22.01.2026], 1.

²⁵ The White House 2025c: 5.

²⁶ The White House 2025c: 14.

more responsibility for security in their neighborhoods and align their export controls with [that of Washington]” which Washington could assist “potentially through more favorable treatment on commercial matters, technology sharing, and defense procurement”.²⁷ Thirdly, the document highlights economic hard power in the American foreign policy toolbox. It argues that President Trump’s regional conflict management efforts throughout the world rest on the pillars of “unconventional diplomacy, America’s military might, and economic leverage”.²⁸ The idea of having and using leverage “to advance America’s national security priorities”²⁹ is applied in the realm of finance as well.

According to the U.S. Constitution, “Congress shall have power to lay and collect taxes, duties, imposts and excises”, while the President “shall have power, by and with the advice and consent of the Senate, to make treaties”,³⁰ hence both branches of government are involved in the conclusion of trade agreements. From the 1930s, the legislature gradually ceded the right to initiate tariff policy so that the executive could reduce tariffs by proclamation and conclude free trade agreements that were starting to focus on more than just tariffs.³¹ Congress allowed the White House to increase tariffs through the following statutory authorities:³²

- the *Trade Act of 1930 (Section 338)* allows the President to impose tariffs on countries that introduce discriminatory burdens, rules, or restrictions on U.S. goods compared to third countries. The President may decide this himself/herself alone, and the tariff cannot exceed 50% of the value of the good(s) in question
- the *Trade Expansion Act of 1962 (Section 232)* allows the President to impose tariffs on imports of goods that threaten national security due to their volume. When making such decision, the President relies on a report from the Secretary of Commerce, and there is no limit on the amount or duration of the tariff
- the *Trade Act of 1974 (Section 122)* allows the President to impose tariffs or import quotas in the event of a large and serious deficit in the U.S. balance of payments. The President can decide himself/herself alone whether this is justified, while the tariff cannot exceed 15% and is only in force for 150 days
- the *Trade Act of 1974 (Section 201)* allows the President to impose tariffs or other measures if large imports of foreign products threaten or injure domestic industry/industries. The President relies on a report from the U.S. International Trade Commission (ITC), and may increase the tariff on the good(s) in question up to 50%, with the latter rate to be gradually reduced after one year and remain in effect for up to four years (unless the ITC recommends otherwise)

²⁷ The White House 2025c: 12.

²⁸ The White House 2025c: 8.

²⁹ The White House 2025c: 15.

³⁰ United States Senate: [Constitution of the United States](#). [online], United States Senate, s. a. Source: senate.gov [22.01.2026], Article I, Section 8 (Clause 1) and Article II, Section 2 (Clause 2).

³¹ Casey, Christopher A.: *U.S. Tariff Policy: Overview*. [online], Congressional Research Service, 31.01.2025. Source: congress.gov [30.03.2025].

³² Zirpoli, Christopher T.: *Congressional and Presidential Authority to Impose Import Tariffs*. [online], Congressional Research Service, 27.02.2025. Source: congress.gov [30.03.2025], 8–19.

- the *Trade Act of 1974 (Section 301)* allows USTR to impose tariffs on goods from countries that have violated trade agreements with the United States or have imposed undue, excessive, or discriminatory burdens on the imports of U.S. goods. USTR can decide to impose any tariff(s) in accordance with the President's guidance, and the tariff(s) will remain in place for up to four years (unless the domestic industry concerned requests an extension)
- the *International Emergency Economic Powers Act of 1977 (IEEPA)* allows the President to impose import controls and prohibitions if he/she has declared a national emergency under the National Emergencies Act. Such a national emergency can be decided by the President alone and automatically expires after one year (although the President can renew it at any time)

Thus, congressional mandates vary in terms of subject matter, tariff value and duration, but all leave it to the executive to use a restriction of U.S. market access as a coercive tool. In other words, these pieces of legislation provide the White House with the opportunity to wield tariffs as economic hard power tools in various foreign and security policy issues that normally have nothing to do with trade.

Tariffs as economic hard power tools

The first use of tariffs as tools of economic coercion was related to the inflow of fentanyl into the United States. President Trump issued executive orders in February 2025, arguing for tariffs ranging from 10–40% on products imported from Canada and Mexico due to these countries' alleged shortcomings in addressing drug smuggling across their borders with the United States. Similar tariffs of 10% were introduced against all products from the People's Republic of China. Although this action targeted Washington's most direct trading partners, it was not a purely trade policy decision, as the tariffs were not meant to affect products that qualified for duty-free preference under USMCA. Moreover, in all three cases, tariffs were used as economic leverage for the bilateral negotiations that have eventually resulted the modification of these rates.³³

Another form of foreign policy oriented use of economic hard power has been the introduction of sanctions through secondary tariffs. Specifically, through his executive order in March 2025, President Trump imposed 25% tariffs on all goods from all countries that directly or indirectly imported oil from Venezuela. Similarly, the Trump administration imposed 25% tariffs on multiple goods from India due to the latter's purchase of Russian oil.³⁴ The latter related to Washington's efforts of pressuring Moscow to attend the negotiating table with Kyiv over the Russia–Ukraine war. Moreover, the Trump administration has been open to the idea of imposing much higher (up to 500%) secondary tariffs

³³ Hammond, Keigh E. – Burkhart, William F.: *Presidential 2025 Tariff Actions: Timeline and Status*. [online], Congressional Research Service, 12.01.2026. Source: congress.gov [22.01.2026], 6–7.

³⁴ Hammond–Burkhart 2026: 10.

against the Russian Federation through congressional action. While a backlog certainly exists in the U.S. Congress (mainly due to domestic political faultlines),³⁵ the related bills in the Senate and the House are identical and have 84 and 151 co-sponsors, respectively.³⁶ Therefore, it is likely that the process and pace of debating and adopting these initiatives depends from the unfolding of U.S.–Russian–Ukrainian talks.

Lastly, the Trump administration applies a wide understanding of national security based foreign policy goals when utilising tariffs as hard economic power tools. The most striking example for this is the case of Brazil: President Trump introduced 40% tariffs on various products imported from the South American country due to its government actions regarding the prosecution of former President Jair Bolsonaro and the regulation of certain online platforms.³⁷ In fact, these issues also factored into the U.S. determination of reciprocal tariffs against Brazil with whom the United States actually has a trade surplus. In other words, while the tariffs are used for national security purposes, these purposes may reflect the political interests of the White House. Linking political and security ties is not a new phenomenon in American (or any nation's) foreign policy, however, the Trump administration has specifically highlighted this consideration in its 2025 national security strategy³⁸ which had 'political' elements unusual for such a document.

The following table provides an overview of the main presidential tariff mandates, illustrated with specific examples of Donald Trump's tariffs in the first year of his second presidential term.

Overall, President Trump has used or threatened to use tariffs primarily for security reasons, i.e. on the grounds of national security (Section 232) and national emergency (IEEPA), often with the intention of universal application. The President resorted to securitisation, whereby 1. he has identified existential or national security threat(s); 2. he has communicated and declared an emergency through rhetoric; and then 3. he has invoked the latter to impose extraordinary measures (through executive orders). In fact, Donald Trump was the first president in the history of IEEPA to actually invoke executive power granted by that piece of legislation, citing national emergency identified in the inflow of fentanyl, the funding of the Maduro-regime in Venezuela, or the overall foreign trade deficit of the United States.

³⁵ The Editorial Board: *Where's Congress on Russia Sanctions?.* [online], The Wall Street Journal, 14.01.2026. Source: wsj.com [22.01.2026].

³⁶ See United States Congress: *S.1241 – Sanctioning Russia Act of 2025.* [online], 01.04.2025. Source: congress.gov [22.01.2026] and United States Congress: *H.R.2548 – Sanctioning Russia Act of 2025.* [online], 01.04.2025. Source: congress.gov [22.01.2026].

³⁷ Hammond–Burkhart 2026: 10.

³⁸ See The White House 2025c: 16 and 26.

Table 2: Presidential tariff actions in 2025

Mandate	Goal	Example
<i>Section 338</i>	punishing discrimination against U.S. goods	–
<i>Section 232</i>	addressing threats to national security	<ul style="list-style-type: none"> • tariffs on steel and aluminium from all countries • tariffs on vehicles and auto parts from all countries • tariffs on trucks and buses from all countries • tariffs on copper from all countries • tariffs on timber and lumber from all countries • launching investigations to determine tariffs on semiconductors, pharmaceuticals, critical minerals, aircraft, drones, polysilicon, wind turbines, robotics, and medical equipment from various countries
<i>Section 122</i>	improving U.S. balance of payments	–
<i>Section 201</i>	protecting domestic industry	–
<i>Section 301</i>	punishing the breach of trade agreements	<ul style="list-style-type: none"> • launching investigations to determine tariffs against Nicaragua, Brazil, the People's Republic of China and several other regarding various trade-related practices
<i>IEEPA</i>	managing national emergency	<ul style="list-style-type: none"> • tariffs on Chinese, Canadian and Mexican goods • tariffs on goods from countries purchasing Venezuelan oil • tariffs on certain goods from Brazil pursuing certain policies • tariffs on certain goods from India purchasing Russian oil • suspending de minimis exemption for all countries • reciprocal tariffs on all countries

Source: compiled by the author based on Hammond–Burkhart 2026: 1.

Security leverage and economic coercion against Europe

The 2025 transatlantic trade deal was a hallmark example of American economic coercion and securitised trade. Firstly, the negotiation process itself revealed that tariffs are economic hard power tools for reaching various ends. Jamieson Greer praised the Turnberry deal between President Donald Trump and European Commission President Ursula von der Leyen because the latter was “aligning on matters of economic and national security”. In fact, according to USTR, “by using a mix of tariffs and deals for foreign market access and investment, the United States has laid the foundation for a new global trading order”. The essence of the “Turnberry system” is that Washington does not attempt to establish fixed dispute settlement fora or processes, but rather monitor compliance and apply higher punitive tariffs unilaterally when necessary.³⁹

Secondly, the Turnberry deal itself included important security-related components. On the one hand, EU Trade Commissioner Maroš Šefčovič commented after the

³⁹ Greer, Jamieson: *Trump's Trade Representative: Why We Remade the Global Order*. [online], The New York Times, 07.08.2025. Source: nytimes.com [22.01.2026].

agreement that it was “not only about the trade. It’s about security. It’s about Ukraine. It’s about current geopolitical volatility” without going into detail.⁴⁰ On the other hand, the initial American and European understandings of the deal differed with regard to the purchase of U.S. military equipment: while the White House fact sheet included this item on the list of agreed points,⁴¹ EU officials denied such a commitment.⁴² Still, a month later the joint U.S.–EU statement on their Framework Agreement did note that “the European Union plans to substantially increase procurement of military and defence equipment from the United States, with the support and facilitation of the US government”.⁴³

Despite the transatlantic trade deal, President Trump raised the possibility of tariffs yet again in 2026 regarding his debate with Denmark over the control of Greenland. Initially, the U.S. proposal was a land-purchase (in accordance with 19th and 20th century precedents regarding this particular island) and while the White House rhetoric became increasingly assertive, Secretary of State Marco Rubio tried to re-emphasise the U.S. preference for a financial agreement. However, as the latter seemed unlikely to gain support in Europe, President Trump announced his plan to introduce a tariff of 10% against the countries that signalled solidarity with Denmark. As French and German officials indicated the possibility of initiating the EU’s Anti-Coercion Instrument (including measures that range from tariffs to export and tender restrictions)⁴⁴ along with the fact the ratification of the Turnberry deal was at risk, President Trump stepped back from his tariff threat at the Davos World Economic Forum. Nevertheless, the U.S. move revealed an attempt for use of tariffs that was more aggressive than any time before within the transatlantic alliance.

Conclusions

President Trump’s tariff policy is the trade and economic manifestation of the American foreign policy shift for an era of renewed geopolitical competition. The United States has accepted the fact that it has entered a post-hegemonic world where the rules-based international order and the U.S. role in it are no longer sustainable according to their original design. Accordingly, the Trump administration has accelerated the restructuring of global trade along American interests. Washington wants to reduce the U.S. burden of maintaining the international order and this is served partly by cutting the American foreign trade deficit along with the associated economic and military costs.

⁴⁰ Cook, Lorne: *Higher US Tariffs Part of the Price Europe was Willing to Pay for its Security and Arms for Ukraine*. [online], AP News, 29.07.2025. Source: apnews.com [22.01.2026].

⁴¹ The White House: *Fact Sheet: The United States and European Union Reach Massive Trade Deal*. [online], The White House, 28.07.2025b. Source: whitehouse.gov [22.01.2026].

⁴² Lunday, Chris: *EU-US Trade Deal: The Biggest Losers and (a Few) Winners*. [online], Politico, 29.07.2025. Source: politico.eu [22.01.2026].

⁴³ European Commission: *Joint Statement on a United States-European Union framework on an Agreement on Reciprocal, Fair and Balanced Trade*. [online], European Commission, 21.08.2025. Source: policy.trade.ec.europa.eu [22.01.2026].

⁴⁴ Sheftalovich, Zoay et al.: *EU Moves Closer to Using its Trade Bazooka against the US*. [online], Politico, 20.01.2026. Source: politico.eu [22.01.2026].

While the Trump administration's initiative is rational in the long run, it carries risks in the short to medium term: the political cost of unilaterally pushing for change could be severe, as the "Turnberry system" of international trade seems to be led not by a liberal hegemon defending rules in general, but rather by a realist great power disciplining on a case-by-case basis, including for selfish purposes.

It is far from certain that Washington's partners will understand, accept, or even be capable of adhering to ad hoc American priorities, especially if the latter are unrelated to trade and come at the cost of allied interests or principles. The unilaterally initiated tariffs have proven to be effective economic hard power tools in transatlantic trade, and the latter's securitisation has borne fruit for Washington. Nevertheless, upping the ante may trigger European allies and partners to actually respond in kind, resulting the potential loss of earlier achievements.

References

- Akhtar, Shayerah I.: *U.S.-EU Trade and Economic Relations*. [online], Congressional Research Service, 09.06.2023. Source: sgp.fas.org [27.03.2025]
- Burns, Tobias: *How Trump and Biden Killed the Free-Trade Consensus*. [online], The Hill, 25.09.2023. Source: thehill.com [27.03.2025]
- Casey, Christopher A.: *U.S. Tariff Policy: Overview*. [online], Congressional Research Service, 31.01.2025. Source: congress.gov [30.03.2025]
- Cook, Lorne: *Higher US Tariffs Part of the Price Europe was Willing to Pay for its Security and Arms for Ukraine*. [online], AP News, 29.07.2025. Source: apnews.com [22.01.2026]
- European Commission: *Joint Statement on a United States-European Union framework on an Agreement on Reciprocal, Fair and Balanced Trade*. [online], European Commission, 21.08.2025. Source: policy.trade.ec.europa.eu [22.01.2026]
- Federal Reserve Bank of St. Louis: *Federal Debt: Total Public Debt as Percent of Gross Domestic Product*. [online], Federal Reserve Bank of St. Louis, 04.03.2025. Source: fred.stlouisfed.org [30.03.2025]
- Federal Reserve Bank of St. Louis: *Federal Outlays: Interest as Percent of Gross Domestic Product*. [online], Federal Reserve Bank of St. Louis, 27.03.2025. Source: fred.stlouisfed.org [30.03.2025]
- Federal Reserve Bank of St. Louis: *Federal Surplus or Deficit as Percent of Gross Domestic Product*. [online], Federal Reserve Bank of St. Louis, 27.03.2025. Source: fred.stlouisfed.org [30.03.2025]
- Federal Reserve Bank of St. Louis: *Trade Balance: Goods and Services, Balance of Payments Basis*. [online], Federal Reserve Bank of St. Louis, 06.03.2025. Source: fred.stlouisfed.org [30.03.2025]
- Greer, Jamieson: *Opening Statement – Jamieson L. Greer Nominee for United States Trade Representative*. [online], United States Senate Committee on Finance, 06.02.2025. Source: finance.senate.gov [27.03.2025]
- Greer, Jamieson: *Trump's Trade Representative: Why We Remade the Global Order*. [online], The New York Times, 07.08.2025. Source: nytimes.com [22.01.2026]
- Hammond, Keigh E. – Burkhart, William F.: *Presidential 2025 Tariff Actions: Timeline and Status*. [online], Congressional Research Service, 12.01.2026. Source: congress.gov [22.01.2026]
- Hart, Nina M. – Murrill, Brandon J.: *The World Trade Organization's (WTO's) Appellate Body: Key Disputes and Controversies*. [online], Congressional Research Service, 22.07.2021. Source: congress.gov [27.03.2025]
- Hernandez, Fredrick: *Why the National Debt Matters for National Security*. [online], Bipartisan Policy Center, 14.11.2024. Source: bipartisanpolicy.org [27.03.2025]
- Hungerford, Thomas L.: *U.S. Federal Government Revenues: 1790 to the Present*. [online], Congressional Research Service, 25.09.2006. Source: everycrsreport.com [22.01.2026]
- Jones, Ryan Patrick – Lawder, David: *Trump Says He Will Create New Agency to Collect Revenue from Foreign Sources*. [online], Reuters, 14.01.2025. Source: reuters.com [22.01.2026]

- Kamin, Stephen B. – Colton, William: *Trade Deficits are a Distraction – Focus Instead on the Debt*. [online], The Hill, 05.02.2025. Source: thehill.com [30.03.2025]
- Lunday, Chris: *EU-US Trade Deal: The Biggest Losers and (a Few) Winners*. [online], Politico, 29.07.2025. Source: politico.eu [22.01.2026]
- Sheftalovich, Zoay et al.: *EU Moves Closer to Using its Trade Bazooka against the US*. [online], Politico, 20.01.2026. Source: politico.eu [22.01.2026]
- Snyderman, Rachel et al.: *How Much are U.S. Tariffs Raising in Revenue?*. [online], Bipartisan Policy Center, 23.04.2025. Source: bipartisanpolicy.org [22.01.2026]
- Tai, Katherine: *Trade Must Transform its Role in the Social Contract*. [online], Financial Times, 28.05.2024. Source: ft.com [27.03.2025]
- The Editorial Board: *Where's Congress on Russia Sanctions?*. [online], The Wall Street Journal, 14.01.2026. Source: wsj.com [22.01.2026]
- The White House: *America First Trade Policy*. [online], 20.01.2025a. Source: whitehouse.gov [27.03.2025]
- The White House: *Fact Sheet: The United States and European Union Reach Massive Trade Deal*. [online], The White House, 28.07.2025b. Source: whitehouse.gov [22.01.2026]
- The White House: *National Security Strategy of the United States of America*. [online], The White House, 11.2025c. Source: whitehouse.gov [22.01.2026]
- The White House: *Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits*. [online], The White House, 02.04.2025d. Source: whitehouse.gov [03.04.2025]
- United States Congress: *H.R.2548–Sanctioning Russia Act of 2025*. [online], 01.04.2025. Source: congress.gov [22.01.2026]
- United States Congress: *S.1241–Sanctioning Russia Act of 2025*. [online], 01.04.2025. Source: congress.gov [22.01.2026]
- United States Senate: *Constitution of the United States*. [online], United States Senate, s. a. Source: senate.gov [22.01.2026]
- United States Senate Committee on Finance: *Hearing to Consider the Nomination of Jamieson Greer, of Maryland, to be United States Trade Representative, with the rank of Ambassador Extraordinary and Plenipotentiary*. [online], United States Senate Committee on Finance, 06.02.2025. Source: finance.senate.gov [27.03.2025]
- United States Trade Representative: *2025 National Trade Estimate Report on Foreign Trade Barriers*. [online], Executive Office of the President of the United States, 31.03.2025. Source: ustr.gov [27.03.2025]
- Vance, J. D.: *Remarks by the Vice President at the American Dynamism Summit*. [online], The American Presidency Project, 18.03.2025. Source: presidency.ucsb.edu [27.03.2025]
- World Bank: *Tariff Rate, Applied, Weighted Man, All Products (%) – United States, European Union, Canada, China, Mexico*. [online], World Bank Group, 31.03.2025. Source: data.worldbank.org [27.03.2025]
- Zirpoli, Christopher T.: *Congressional and Presidential Authority to Impose Import Tariffs*. [online], Congressional Research Service, 27.02.2025. Source: congress.gov [30.03.2025]
- Zirpoli, Christopher T.: *Supreme Court Rules Against Tariffs Imposed Under the International Emergency Economic Powers Act (IEEPA)*. [online], Congressional Research Service, 23.02.2026. Source: congress.gov [28.05.2026]