

President-Elect Trump Threatens New Tariffs on All Imports from China, Mexico, and Canada

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On November 25, President-elect Trump announced on social media that on January 20, his first day in office, his administration will impose new tariffs on all imports from China, Mexico, and Canada. In two separate messages, Trump indicated the pending imposition of across-the-board tariffs of 25 percent on all imports from Canada and Mexico, and 10 percent tariffs on all imports from China. The tariffs on imports from China would be on top of tariffs on Chinese imports previously imposed during both the Trump and Biden administrations. President-elect Trump signaled that the duties on imports from Mexico and Canada will be imposed, and will remain in effect, until the flow of illegal drugs – in particular fentanyl – and immigrants into the United States is halted. Trump made a similar connection between the duties on imports from China and fentanyl.

Trump has been vocal throughout his presidential campaign about his intention to impose new tariffs, and much speculation has focused on whether such tariffs would be used as temporary negotiating leverage to extract concessions from other countries or would be an end in themselves, intended to remain in perpetuity. The President-elect's social media posts do not elucidate a particular path with respect to this question, and the intractability of the two highlighted issues could suggest an intention to impose long-term tariffs. Federal and state level governmental data also indicate, however, that the rates of immigrant detentions and illegal drug overdoses are both on the decline. The continuation of such trends could create an opportunity for identifiable progress on these issues, presenting Trump with positive outcomes that could provide the basis for a removal of any assessed tariffs – to the extent they are, in fact, implemented. Recent statements from Republican Congressional leadership reflect one view that such tariff threats are a negotiating tactic and may not ultimately come to fruition.

Were the President-elect to follow through on the recent social media posts, it is not clear what authority he may use to impose new tariffs. During the first Trump Administration, the former President imposed billions of dollars of tariffs on Chinese imports under Section 301 of the Trade Act of 1974 (Section 301), and billions more on imports of steel and aluminum from several countries under Section 232 of the Trade Expansion Act of 1962. In addition to Section 301, the International Emergency Economic Powers Act (IEEPA) has been discussed as a possible vehicle for new tariffs. The President-elect used IEEPA to impose sanctions and visa restrictions during his first term and threatened to use it as a basis to impose tariffs, but did not do so with respect to the latter. While IEEPA has not, to date, been used to impose tariffs, former President Nixon used its precursor, the Trading With the Enemy Act, as the stated legal basis for imposing a 10 percent *ad valorem* supplemental duty on all dutiable goods entering the United States in 1971.

With respect to Section 301, it is notable that a separate petition was filed with the Biden Administration in October 2024 alleging that China's involvement in the production and shipment of fentanyl and fentanyl precursors meet the statutory criteria for trade action under that provision. The petition calls for countermeasures that include an additional \$50 billion in tariffs on Chinese imports.^[1] The deadline for the Biden Administration to decide whether to initiate a Section 301 investigation in response to this petition is Monday, December 2. As such, President-elect Trump may be using this latest tariff announcement to exert pressure on the Biden Administration to initiate a new Section 301 investigation focused on fentanyl produced in China and shipped to the United States – or to demonstrate an intention to aggressively address the problem regardless of President Biden's decision. A formal Section 301 investigation could be continued and completed under the Trump Administration, enabling the new administration to expedite the timeline for imposition of Section 301 tariffs.

While the inclusion of Mexico and Canada in any Section 301 investigation is less evident, it is conceivable that an investigation could be expanded to include those countries, in light of the stated thematic tie to the recent Section 301 petition and concerns consistently raised (and recognized by Mexico) regarding the flow of Chinese fentanyl and precursors across borders. This also comes against the backdrop of heightened attention on the United States' trade relationship with its North American neighbors as the next administration prepares for the required six-year review of the U.S.-Mexico-Canada free trade agreement (USMCA) scheduled for July 2026, which President-elect Trump touted on the campaign trail as an opportunity not just for fine-tuning, but for renegotiation.

Given the options available to the President-elect to impose the threatened tariffs, the connection to a pending Section 301 petition, and the tactical position such tariffs could provide in the context of the USMCA review, clients are advised to take seriously the possibility that such tariffs could be imposed, including on an expedited timeline after the upcoming Presidential inauguration. Clients should also anticipate retaliatory tariffs against strategically targeted U.S. goods – not limited to U.S. agricultural products that rely on those export markets – by the countries subject to the U.S. tariffs.

If you have any questions regarding this evolving situation, please contact [Paul Rosenthal](#), [Brooke Ringel](#), or [Josh Kagan](#).

^[1] The petition also calls for additional countermeasures including import prohibitions on certain goods and services from China; new outbound investment restrictions on Chinese entities; a ban on prevalent Chinese mobile applications, such as WeChat, Temu, SHEIN, CapCut, and others; elimination of de minimis exemptions for all Chinese goods; and requirements that China purchase \$50 billion of U.S. agricultural products and/or manufactured automobile vehicles.