The Daily Dish

Trump’s Wall, the Tariff Wall

DOUGLAS HOLTZ-EAKIN | JUNE 18, 2026

The average person should be excused if they have lost track of the administration’s tariff policy. After all, there has been a flurry of announcements, delays, rate changes, and court decisions. Fortunately, AAF’s Jacob Jensen has a recap of the action in his The New Section 301 Tariff Regime. As Jensen notes, the Supreme Court’s decision that the tariffs imposed under the International Economic Emergency Powers Act (IEEPA) exceeded the president’s authority does not mean the end to tariffs.

The president immediately imposed so-called Section 122 tariffs (referring to Section 122 of the Trade Act of 1974) at a 10-percent rate. These tariffs are explicitly temporary and limited to 150 days. The administration, however, is busily building a new, permanent tariff wall using another section of the act: Section 301.

Jensen notes:

> *Section 301 of the Trade Act of 1974 allows the president to place tariffs on countries engaging in unfair trade practices that discriminate against U.S. firms or economic interests. These unfair trade practices include subsidizing domestic industries, intellectual property theft, non-tariff barriers that restrict U.S. market access, and various other activities that infringe on U.S. commerce.*

The United States Trade Representative (USTR) leads the investigation of unfair trade practices. To the surprise of exactly nobody:

> *On March 12, 2026, USTR launched Section 301 investigations into 60 economies across 86 countries, “Relating to Failures to Take Action on Forced Labor.” The investigation examined whether certain countries have prohibited the importation of goods made with forced labor and if those prohibitions are effectively enforced. On*

> *June 2, [USTR determined] that each of these countries has failed to effectively eliminate forced labor within its supply chains, which negatively impacts U.S. commerce and creates an unfair playing field for U.S. workers.*
>
> *As a result of these findings, USTR recommends placing 12.5-percent tariffs on 46 countries that have failed to impose or effectively enforce a forced-labor import ban. Meanwhile, a 10-percent tariff was recommended for the 40 countries that have agreed to adopt a forced labor import ban through a trade agreement or have partial yet ineffective systems in place to block imports of some forced labor goods.*

These tariffs will raise about $60 billion each year and there are additional Section 301 investigations underway. While $60 billion is real money, it is only about 25 percent of the original tariffs that were announced on so-called Liberation Day under the IEEPA auspices. One reason is that the number of goods exempted from the tariffs has steadily grown over time.

So, tariffs are here to stay. But so are the incentives to plead for exemption from those tariffs. Effectively, the United States is saddled with an inefficient version of a bad trade policy.