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He hits Americans with more tax increases on the cusp of an election.

Trump Tariffs, More Tariffs, and More . . .

REVIEW & OUTLOOK

Note

Tariffs are an obsession for President Trump, much as climate was for the Biden Administration. How else to ex--plain his imposition of yet another round of border taxes three months before the November election despite their political unpopularity and economic harm?

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The Administration late Thursday unveiled new tariffs under Section 301 to replace the President's Section 122 tariffs that were lapsing. These latest duties will affect some 60 economies, hitting nearly all U.S. imports, with rates from 10% to 12.5%, and they come on top of a slew of other border taxes. Wait, didn't the Supreme Court strike down Mr. Trump's tariffs in February? Only the emergency tariffs.

He later whipped out Section 122. A federal court this spring held that those are also illegal, but an appeals court allowed them to stay in place as litigation continues. But the law limits those tariffs to 150 days, and they expired Friday. Enter Section 301. For readers struggling to keep track of Mr. Trump's border taxes, here's a cheat sheet.

• *Section 301.* This trade law lets a President impose tariffs in response to "unfair foreign acts, policies, or practices affecting U.S. commerce." The Administration says America's trading partners—including Canada and the European Union—are unfairly discriminating against the U.S. by not doing enough to stop imports made with forced labor. Yes, the slave traders of Toronto strike again.

Countries that ban imports made with forced labor but fail to effectively enforce their prohibitions are dunned 10%. Most others get 12.5%. For legal purposes Section 301 requires a formal investigation, but the result here was preordained. Forced labor is a pretext. Another 301 probe is in the works on "excess capacity," so expect more tariffs on much of the world, perhaps within weeks.

Last week the President announced Section 301 tariffs of 25% on Brazil because he doesn't like its leftwing leader Lula da Silva. Note how Mr. Trump weaponizes tariffs: He picks a target. Then his team finds a pretext for tariffs.

• *Section 338.* This week Mr. Trump dusted off this provision from the 1930 Smoot-Hawley Act to hit Canada with 50% tariffs on hundreds of goods, including plywood, down feathers, concrete, paper products, gold necklaces, chandeliers—yes, seriously—and toys. No President has used it before. He recited a litany of trade grievances including Canada's treatment of U.S. cheese and retaliatory tariffs. The U.S. is now in a needless trade war with its second-largest trading partner.

• *Section 232* . The President has also imposed an array of tariffs in the name of national security. This includes steel and aluminum (50% rate), products that include these metals (25%), motor vehicles and parts (25%), wood furniture and cabinets (25%), semiconductors (25%) and branded medicines (100%). Block those killer IKEA sofas.

The President has granted exemptions or delayed enforcement of some of these tariffs—for instance, pharmaceutical companies that reach agreements with the Administration to build manufacturing plants in the U.S. and sell medicines to Medicaid at a so-called most-favored nation price. This is an illustration of how the President wields tariffs to coerce policy outcomes he can't get through Congress.

The Administration has also initiated Section 232 investigations of coal, robotics, industrial machinery, medical equipment and devices, drones, polysilicon and aircraft parts, so brace for more tariffs.

• This week he announced 100% tariffs on generic medicines, which he said will take effect in two years. It's hard to believe he will go through with them given the damage they'd do. Generics make up 90% of all U.S. prescriptions and have kept down prescription drug prices. Tariffing generics—most of which are produced overseas—will drive up prices and result in shortages of essential medicines.

Then again, Mr. Trump doesn't seem to care about the damage since tariff costs are dispersed across businesses, consumers and workers. Customs duties have raised $163 billion in the current fiscal year through June, which excludes some $70 billion in emergency-tariff refunds. That's a big tax increase.

Mr. Trump's tariff defenders point to the buoyant stock market as evidence that his border taxes aren't harmful. But last year's tax bill—especially the business provisions like full investment expensing—has offset some of the damage from his tariffs. So has the AI investment boom.

Imagine how strong the economy would be without the tariffs and their uncertainty for business. Americans remain unhappy about the economy, and higher prices are a big reason. They know that tariffs are adding to their pain even if they don't see the cost as a line-item on a bill. Republicans could pay the price in November.

