



Written by [Veronika Kyrylenko](#) on February 3, 2025

Trump Unleashes Sweeping Tariffs, Says Americans May Face “Some Pain”

On Saturday, President Donald Trump signed an [executive order](#) imposing new tariffs on imports from Canada, Mexico, and China. Citing a “national emergency” under the International Emergency Economic Powers Act ([IEEPA](#)), the president declared that the crisis posed by illegal aliens and deadly fentanyl facilitated by the said countries justifies immediate and decisive economic action. In response, Canada, Mexico, and China are striking back with their own retaliatory measures, setting the stage for economic fallout and rising consumer costs.



AP Images

“The Worst Border Crisis”

Trump blames “the worst border crisis in U.S. history” on the Biden administration, citing in a [fact sheet](#) accompanying the order “more than 10 million illegal aliens” attempting entry. That includes Chinese nationals and individuals on the terror watchlist. The White House also highlights a rising problem at the northern border. It also stresses fentanyl’s toll, with “75,000 deaths per year.”

Indeed, Biden’s rollback of Trump-era immigration policies fueled a surge in illegal crossings and border-related crime. However, whether tariffs will pressure trade partners to tighten enforcement remains uncertain.

Applying Pressure

President Trump is using tariffs as leverage to pressure Canada, Mexico, and China to take stronger action against illegal immigration and drug trafficking.

The executive order imposes a 25-percent tariff on imports from Canada and Mexico. Imports from China face a 10-percent tariff, while Canadian energy resources are subject to a reduced 10-percent rate.

The administration says, “Mexico has afforded safe havens for the cartels,” allowing them to “engage in the manufacturing and transportation of dangerous narcotics.”

Trump also blames China for failing to stop the flow of precursor chemicals used to produce fentanyl. He asserts that officials “have failed to take the actions necessary” to curb its illicit distribution.

Additionally, the order highlights a growing presence of Mexican cartels operating fentanyl and nitazene synthesis labs in Canada. It cites concerns over Canada’s heightened domestic production of fentanyl and its growing footprint in international narcotics distribution.

The Scope

[According](#) to data from the U.S. Census Bureau, in 2024, the United States imported approximately \$466.6 billion worth of goods from Mexico and \$377.2 billion from Canada. Imports from China totaled



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around \$401.4 billion. Together, they represent about 42 percent of all American imports.

From Mexico, [key imports](#) include vehicles, machinery, electrical machinery, mineral fuels, and optical and medical instruments. Canada's primary exports to the United States encompass mineral fuels (notably crude oil), vehicles, machinery, plastics, and wood.

Key imports from China include electronics such as smartphones and computers, lithium-ion batteries, apparel and textiles, toys, and video-game consoles.

These imports play a crucial role in the U.S. economy, providing consumers with a variety of goods and supporting various industries.

Temporary "Pain"

President Trump acknowledged that his tariffs could lead to higher costs for American consumers but insisted that the economic hardship is necessary.

"Will there be some pain? Yes, maybe (and maybe not!)," he [posted](#) on Sunday on Truth Social, adding, "But we will make America great again, and it will all be worth the price that must be paid."

Speaking to the reporters that day, he elaborated, "We may have in the short term, a little pain, and people understand that. But long term, the United States has been ripped off by virtually every country in the world."

Trump's latest position seems to depart from his core campaign promise to reduce the cost of living for Americans.

Not ONE THING is cheaper under Crooked Joe—food, gasoline, cars, trucks, rent, and mortgages are all through the roof.

Biden's Price Hikes are killing the American Dream. pic.twitter.com/HrLI89PgU2

— Trump War Room (@TrumpWarRoom) [May 15, 2024](#)

Analysts warn that tariffs could drive up prices on essential goods, including electronics, vehicles, and food, directly impacting American households. [A report](#) from Yale's Budget Lab estimates that if the tariffs persist, the average U.S. household could lose \$1,245 in income this year, amounting to what would be a \$1.4 trillion tax increase over the next decade.

"The only thing tariffs protect us from is low prices," argues Thomas DiLorenzo, president of the Ludwig von Mises Institute, in a [recent podcast](#). He warned that higher consumer costs and economic downturns are inevitable. DiLorenzo illustrated this with a simple example: If both a U.S. and international company sell a product for \$100, and Trump imposes a 100-percent tariff on the foreign competitor, that company now charges \$200. This allows the U.S. company to raise its price to \$180 and still gain market share.

So far, the administration has not specified what concrete measures or progress in curbing illegal immigration and fentanyl smuggling would be required to justify lifting the tariffs.

Retaliation

Canada, Mexico, and China responded swiftly with countermeasures, targeting key U.S. industries in retaliation.



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Canada

In response to President Trump's sweeping tariffs, Canadian Prime Minister Justin Trudeau unveiled "far-reaching" 25-percent tariffs on \$106.6 billion worth of American goods. [The list](#) of covered goods include meats, household appliances, sporting goods, furniture, clothing, and plastics.

"We don't want to be here, we didn't ask for this," Trudeau said, emphasizing that his government "will not back down in standing up for Canadians."

The tariffs will be phased in, with CAD\$30 billion in levies set to take effect immediately and the remaining \$125 billion in 21 days to allow businesses time to adjust.

As detailed by a [Progressive Farmer](#) report, Canada's countermeasures include a wide range of agricultural products. Also targeted are animal feed supplements and harvesting equipment. However, beef, a \$824 million market, was notably excluded. According to USDA data quoted in the report, Canada is the largest export market for U.S. baked goods, with \$2.8 billion in sales in 2023. It was also the top buyer of U.S. vegetables (\$1.97 billion), pork (\$800 million), poultry (\$500 million), and processed food products. These industries are now directly in the crosshairs of Canada's trade response.

Mexico

On Saturday, Mexican President Claudia Sheinbaum [slammed](#) Trump's tariffs and rejected claims that her government harbors cartel alliances. She criticized U.S. arms sales to criminal groups and Washington's failure to curb domestic fentanyl consumption. Sheinbaum proposed forming a working group with Trump to resolve the disputes. Simultaneously, as a "Plan B," she ordered the preparation of unspecified retaliatory "tariff and non-tariff measures."

On Monday, after a conversation with Trump, Sheinbaum adopted a more diplomatic approach, [announcing](#) joint security and trade discussions. As part of the agreement, Mexico will deploy 10,000 National Guard troops to its northern border, while the United States pledges to crack down on weapons trafficking to Mexico.

China

China's Ministry of Commerce announced that it will lodge a complaint with the World Trade Organization (WTO). Additionally, the country will implement unspecified "corresponding countermeasures" to protect its economic interests, per [Politico](#).

Bigger Concern

Beyond the immediate financial strain on American households, a deeper, more consequential shift may be unfolding — one that leverages Trump's economic policies to accelerate global integration. The USMCA, once [touted](#) by Trump as a NAFTA replacement, paves the way for North America's economic and political entanglement. If tariffs fuel economic distress — and they will — the USMCA may be framed as the only path forward, further dismantling national sovereignty under the pretense of stability.

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