

# The International Emergency Economic Powers Act (IEEPA) and Tariffs: Historical Background and Key Issues

Updated November 13, 2024

President-elect Donald J. Trump has repeatedly expressed his intention to impose a 10% - 20% tariff on all imports. He has also asserted that he would impose tariffs on countries to achieve foreign policy goals, such as [pressuring Mexico](#) to aid the United States in reducing immigration along the southern border ([a strategy he used in 2019](#)).

President-elect Trump has not given details on how he intends to impose those tariffs. During his previous term, Trump [announced](#) his intention to use the International Emergency Economic Powers Act (IEEPA) ([50 U.S.C. §§1701 et seq.](#))—which authorizes the President to regulate imports during a national emergency declared under the National Emergencies Act (NEA) ([50 U.S.C. §§1601 et seq.](#))—to impose duties on Mexico until “the illegal migration crisis is alleviated through effective actions taken by Mexico.” President Trump later [announced](#) that he would not impose the tariffs, as an agreement had been reached. Many analysts (1)(2)(3) have suggested that IEEPA remains one of the more likely options for President-elect Trump’s proposed tariffs. Although no President has used IEEPA to impose tariffs, President Nixon imposed a 10% tariff on all imports into the United States in response to a monetary crisis using IEEPA’s precursor statute, the Trading with the Enemy Act of 1917 (TWEA). This remains the only time a President has used emergency authority, like that provided by IEEPA, to impose a tariff.

## President Nixon’s Emergency Tariff

On August 15, 1971, President Nixon issued [Proclamation 4074](#), in which he declared a national emergency and imposed a 10% *ad valorem* supplemental duty on all dutiable articles imported into the United States. That evening, [in a televised address to the nation](#), President Nixon outlined his new economic policy, the targets of which were unemployment, inflation, and international speculation. He addressed the supplemental duty specifically

I am taking one further step to protect the dollar, to improve our balance of payments, and to increase jobs for Americans. As a temporary measure, I am today imposing an additional tax of 10% on

Congressional Research Service

<https://crsreports.congress.gov>

IN11129

goods imported into the United States. This is a better solution for international trade than direct controls on the amount of imports.

This import tax is a temporary action. It isn't directed against any other country. It is an action to make certain that American products will not be at a disadvantage because of unfair exchange rates. When the unfair treatment is ended, the import tax will end as well.

While the tariff was not explicitly “directed against any other country,” some observers had surmised the Nixon Administration was [using the surcharge as leverage](#) to compel [Japan and West Germany](#) to revalue their currencies. Robert Hormats, a staff economist on the National Security Council at the time, [argued](#) that the surcharge be used as “a lever only for securing appropriate currency revaluations.” Then-Under Secretary of the Treasury for Monetary Affairs Paul Volcker, likewise, thought, “the president had been convinced that [the import surcharge] was both an essential negotiating tactic and a way to attract public support.”

Over the next several months, the Administration negotiated with the Group of Ten (G-10, composed of the world's 10 biggest economies at the time) to resolve the monetary crisis and convince West Germany and Japan to revalue their currencies. On December 18, 1971, President Nixon [announced the conclusion of the Smithsonian Agreement](#), which he billed as “the most significant monetary agreement in the history of the world.” Two days later, [President Nixon removed the supplemental duties](#).

In response to the import surcharge, several importers filed suit, alleging that Nixon lacked the authority to impose the surcharge. The Government argued that it had the authority to impose the import surcharge under [section 5\(b\)\(1\)\(B\) of TWEA](#). The United States Court of Customs and Patent Appeals [held](#) in *United States v. Yoshida International* that it was “incontestable that [TWEA] does in fact delegate to the President, for use during war or during national emergency only, the power to ‘regulate importation’” and upheld the President’s action, in part because it “bore an eminently reasonable relationship to the emergency confronted.” A year later, the court held the same in [a similar case](#).

When [testifying before Congress on reforms to TWEA in 1977](#), Andreas F. Lowenfeld, a scholar of international economic law in the United States, spoke disapprovingly about President Nixon’s actions and said that he found the Court of Customs and Patent Appeals reasoning in *Yoshida* “thin.” He recommended, among other things, changing the language of the statute. Despite Lowenfeld’s recommendation, Congress maintained the language of section 5(b)(1)(B) of [TWEA](#) in section 203(a)(1)(B) of [IEEPA](#). Additionally, Congress gave the President the explicit power to impose temporary import surcharges in response to balance-of-payments issues in [section 122 of the Trade Act of 1974](#).

## Issues for Congress

IEEPA is one of the authorities that analysts expect President-elect Trump may use to impose several of his proposed tariffs. If Congress approves of such tariffs, no further action is needed by Congress to keep the tariff in place. If Congress disapproves of the tariff, it has several options for expressing that disapproval. Congress could terminate the underlying national emergency by [enacting a joint resolution](#) of disapproval using the expedited procedures provided in the NEA. Congress could also amend IEEPA to restrict its use in imposing tariffs. Several Members of Congress introduced bills, in the 116<sup>th</sup> Congress, doing just that following then-President Trump’s 2019 threatened action against Mexico (S. 764, H.R. 1755, S. 2413, H.R. 3557).

## Author Information

Christopher A. Casey  
Analyst in International Trade and Finance

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.