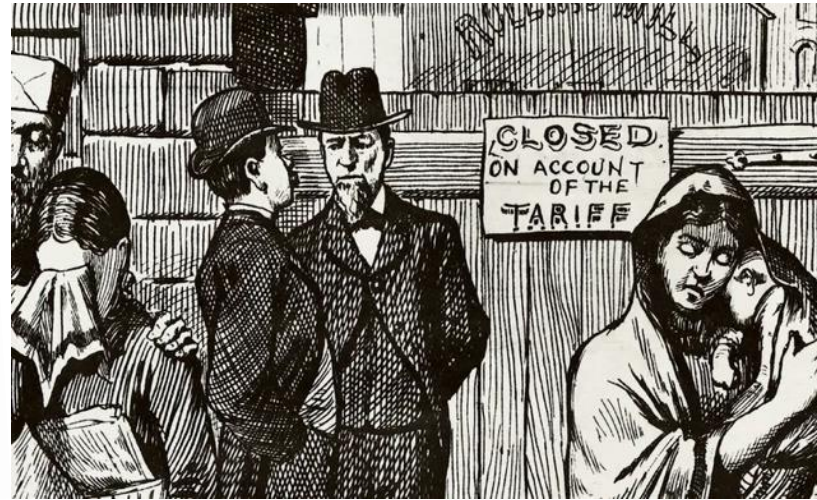


Where Are We Headed with the Current Trade War?



Print after 1828 Tariff



10 lessons from the past
to inform how the 2025 tariffs will affect
consumers, farmers, industry, economics, and politics



Founded in 1944, FDRA is governed and directed by footwear executives and is the only trade organization focused solely on the footwear industry. Members include nearly all U.S. footwear manufacturers, brands, retailers and importers. In all, FDRA supports nearly 500 companies and brands worldwide, representing 97% of total U.S. footwear sales, making it by far the largest and most respected American footwear trade and business association. Learn more at [FDRA.org](https://www.fdra.org)

The author, Andy Polk, is Senior Vice President at FDRA. Prior to FDRA he earned his Masters in International Relations from the London School of Economics and Political Science (LSE). Polk worked for nearly a decade in the U.S. Congress. Yes, he is related to Pres. James K. Polk who addressed tariff issues during his term.

This analysis was written to help better understand what may lie ahead for shoe businesses, workers, consumers, and the country as America goes down another high-tariff path.

Footwear is a product highly impacted by tariffs. Today, 99% of all shoes sold in America are imported. On average, footwear is among the highest-tariffed goods sold in the country, with certain children's shoes facing duty rates of over 90%. Footwear has been subject to tariffs since 1930.

“History doesn’t repeat itself, but it often rhymes” – Mark Twain

America has been embroiled in 6 major high tariff feuds since 1776.

There have been many tariffs enacted and retracted since our founding. Isolating specific periods of high tariff increases with international retaliation provides some clear insights for today’s modern tariff war.

Surprisingly, **there are many consistencies across all eras.**

While America's economy and global standing evolve with each era, economic principles remain stubbornly consistent—as you will see, **higher tariffs often yield the same predictable results.**



1891 Canadian cartoon pushing retaliation against America.

The 1890, 1930, and 2025 tariff debate is eerily similar, which Twain would find amusing.

“It is to increase production here, diversify our productive enterprises, enlarge the field, and increase the demand for American workmen. What American can oppose these worthy and patriotic objects?”

- **Congressman William McKinley (1890)**

“..we will have a renewed era of prosperity such as followed the enactment of every Republican tariff bill, in which all of the people of the United States in every occupation, every industry, and every employment will share as they have always shared, which will increase our wealth, our employment, our comfort, the means of supplying our necessities, that will promote our trade abroad, and keep the name of the United States still before the world as the premier nation of solid finance, fairness, and justice to all the people, and one which for all time intends to provide for its own.”

- **Chairman of Ways and Means, Congressman Willis C. Hawley (1930)**

"Tariffs are about making America rich again and making America great again, and it's happening, and it will happen rather quickly."

“President Donald J. Trump is standing up for American workers, strengthening American industries, and making clear to the world that America will no longer be ripped off — a push that has already delivered historic results.” ([White House Release](#))

- **President Trump (2025)**

6 observed high tariff + retaliatory periods

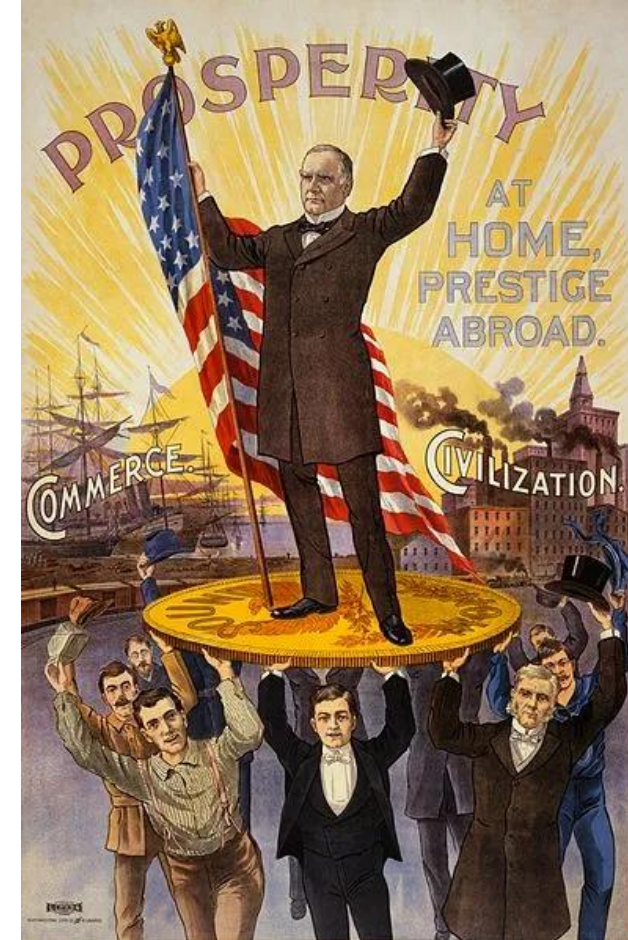
1800s – High Tariffs and Retaliation

1. Tariff of 1828 (Tariff of Abominations)

- Average duty: 45% on imports
- Retaliation:
 - Britain and other European countries **reduced imports of U.S. cotton** hurting farmers.
 - Contributed to the **Nullification Crisis** in the U.S.

2. McKinley Tariff (1890)

- Average duty: 50% on most imports
- Retaliation:
 - **Canada and Germany** imposed **counter-tariffs on U.S. agricultural exports**.
 - Sugar-producing nations **cut exports to the U.S.** after the tariff eliminated duties on raw sugar but raised them on processed sugar.



McKinley

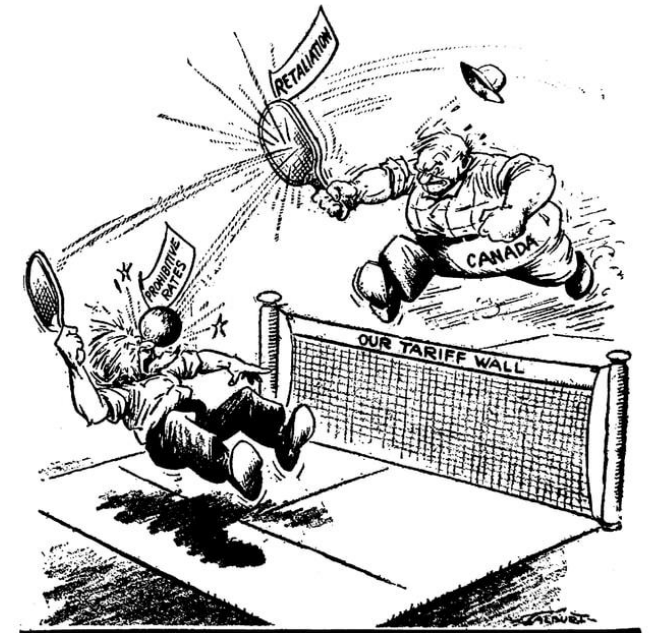
1900s – High Tariffs and Retaliation

3. Fordney-McCumber Tariff (1922)

- Average duty: 38%
- Retaliation:
 - France and Germany imposed tariffs on U.S. manufactured goods.
 - Hurt U.S. farmers, as European markets closed off to U.S. agricultural exports.

4. Smoot-Hawley Tariff (1930)

- Average duty: 59% (highest in U.S. history)
- Retaliation:
 - Over 25 countries, including Canada, France, Britain, and Germany, imposed counter-tariffs on U.S. exports.
 - U.S. exports dropped by 61%



Right Back at Us!

—Talburt in the Washington "Daily News."

Source: *Washington Daily News*

2000s – High Tariffs and Retaliation



5. Trump Tariffs (2018-2019)

- Tariffs imposed on:
 - Steel: 25%
 - Aluminum: 10%
 - China-specific tariffs: Up to 25% on \$250 billion worth of goods
- Retaliation:
 - China, the EU, Canada, and Mexico imposed retaliatory tariffs on American soybeans, whiskey, cars, and steel.
 - China's tariffs on U.S. agricultural products hurt farmers, leading to government subsidies.
 - EU tariffs targeted Harley-Davidson motorcycles, bourbon, and jeans.

6. Trump Tariffs (2025 *Playing out in real time)

- Tariffs imposed on:
 - 20% on Chinese imports (enacted)
 - Proposed 25%, with caveats and changes, on Mexico and Canada
- Retaliation:
 - China, Canada, and Mexico are targeted, or have imposed, retaliatory tariffs on American agriculture, whiskey, certain sectors and goods.

Insights and lessons for 2025

*For historical clarity, we pulled from Douglas A. Irwin's book *Clashing over Commerce: A History of U.S. Trade Policy*

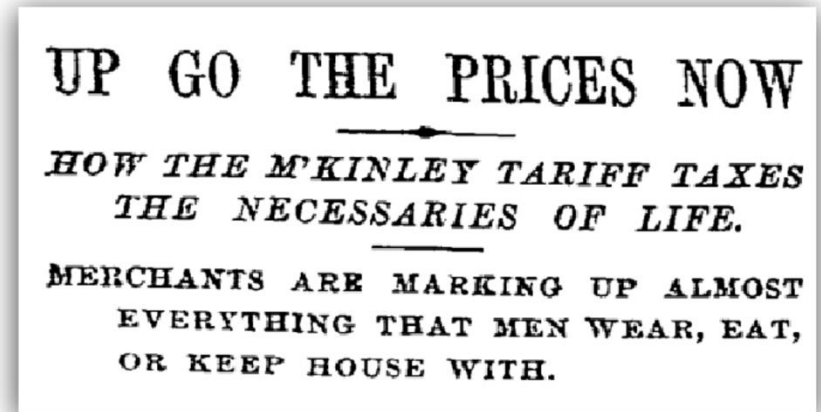
1. Agriculture always gets hurt by tariffs, perhaps more than other industries.

- **1828:** Great Britain slows / halts agricultural (ag) imports leading to supply gluts and drove down commodity prices.
- **1890:** Canada and Germany enact counter-tariffs on ag goods.
- **1922:** Europe closes off markets to ag goods in response to tariffs.
- **1930:** “The farmer has been betrayed by this bill,” [Senator] LaFollette thundered. “..The agricultural tariff granted the farmer, in many instances ineffective, carries with it the obligation to pay higher prices upon almost every article that is used upon the farm.” Branding it “the worst tariff bill” in the nation’s history, LaFollette argued that the legislation would cost consumers \$1 billion in higher prices. [Irwin]
- **2019:** China, Mexico, Canada and the E.U. retaliate against certain ag products.
- **2025:** Same story playing out.
 - [Trump’s recent tariffs on Chinese goods will make herbicide imported to keep Iowa fields weed-free more expensive](#)
 - [More than 80% of the United States’ supply of a key fertilizer ingredient — potash — comes from Canada](#)
 - [Tariffs on steel and aluminum could boost the cost of tractors and other farm machinery. And retaliatory measures by other nations could make it harder for American farmers to sell their goods abroad](#)
 - [Trump says 'have fun' as Kansas farm leader warns: 'Tariffs are going to hurt us'](#)



2. Consumers pay higher prices every time.

- **1828:** Tariffs pushed up input costs on domestic manufacturers, and costs on imported finished goods, both which were passed along to the consumer.
- **1890:** Consumers paid more for many everyday items—such as clothing, tinsplate (used in canned goods), sugar, and manufactured goods—because either they were imported directly or domestic producers raised prices in response to reduced foreign competition.
- **1930:** “A widely cited study by University of Wisconsin economists John R. Commons, Benjamin H. Hibbard, and Selig Perlman found that many agricultural tariffs would be ineffective in assisting domestic producers. They calculated that the sugar duty cost the American public \$289 million in 1928, and the Hawley-Smoot duties would increase this to \$384 million per year. [Irwin]
- **2018:** Consumer goods like washing machines, electronics, clothing, and furniture all saw price increases. A 2019 study by economists from the Federal Reserve and academic institutions found that nearly all the tariff costs were borne by U.S. consumers and companies, not foreign exporters. **“Inflation” is not the same as actual price increases on goods and services.*
- **2025:** same story playing out:
 - [10 foods that will cost more thanks to tariffs](#)
 - [Trump tariffs will mean higher prices for U.S. consumers, major retailers say](#)
 - [Tariffs and Rising Costs Challenge US Factories](#)
 - [Trump's tariffs on Canada, Mexico, and China would cost the typical US household over \\$1,200 a year](#)



Side Bar – Other Strange Similarities

Tariff messaging from editorials

- **1930:** “Walter Lippmann, the preeminent columnist of the day, criticized the tariff bill as “a wretched and mischievous product of stupidity and greed.” [Irwin]
- **2025:** [WSJ editorial board: “The Dumbest Trade War in History: Trump will impose 25% tariffs on Canada and Mexico for no good reason.”](#)

Egg inflation, shortages, and tariffs:

- **1930:**“Cordell Hull (1948, 1:355) used a simple example to illustrate how the Hawley- Smoot tariff backfired against the United States. After the US tariff on imported eggs rose from 8 cents to 10 cents a dozen, Canada followed by raising its tariff on imported eggs from 3 cents to 10 cents a dozen to match the US rate. [Irwin]
- **2025:**
 - [Secretary of Agriculture Brooke Rollins is pushing a plan to increase egg imports to help lower consumer costs, even as the Administration raises tariffs.](#)
 - [Egg prices hit record highs and are expected go higher, straining consumers, restaurants](#)



3. Enactment of major tariffs always elicit retaliatory tariffs and measures.

- **1828:** Britain enacted higher tariffs on cotton, and reduced the purchase of tobacco, in response to the U.S. tariffs. Additionally, Other European countries imposed higher duties on U.S. grain, pork, and other ag products.
- **1890:** “The McKinley bill contributed to a rise in protectionist sentiment in Britain and its dominions, leading to calls to establish a trade bloc with tariff preferences within the British Empire. While some Americans thought high tariffs against its goods would “starve Canada into annexation” and force Canada to join the United States, Canada was instead pushed into closer ties with Britain. [Irwin]
- **1930:** “After the tariff passed, the King government [Canada] immediately reduced duties on 270 goods imported from the British Empire and imposed countervailing duties on sixteen American products that comprised nearly a third of US exports to Canada. These goods included potatoes, soups, livestock, fresh meats, butter and eggs, wheat and wheat flour, oats and oatmeal, and 402-chapter eight cast iron pipe— most of them agricultural products that the new US tariff was supposedly designed to help. [Irwin] “Whereas 70 percent of US exports entered Britain duty- free in 1930, only 20 percent did by the end of 1931. [Irwin] Over 20 countries levied retaliatory tariffs against American goods in response to the tariff. [Irwin]
- **2018:** China, Mexico, Canada and the EU all add retaliatory tariffs on a range of goods, including agriculture, whiskey, autos, steel and aluminum.
- **2025:** same story playing out:
 - [Trump’s trade war draws swift retaliation as Mexico, Canada and China impose tariffs on the US](#)



UP AGAINST THE REAL THING

UNCLE SAM: "Well, there's a guy what ain't just a bluffer, anyhow."

4. Voters always punish the political party who enacted tariffs

- **1828:** John Q. Adams standing drops significantly after signing the tariff into law, loses the election to Andrew Jackson.
- **1890/1892:** After the tariff, McKinley lost his House seat. Republicans went from a majority of 7 to a minority by 147 seats in the House.
 - “The Democrats made big gains in the 1890 midterm elections. Although Republicans narrowly retained the Senate, the House flipped from a Republican majority of seven to a Democratic majority of one hundred forty seven. Even McKinley lost his bid for reelection after being gerrymandered out of his Ohio seat by the Democratic state legislature. Theodore Roosevelt, a rising Republican politician, “The overwhelming nature of the disaster is due entirely to the McKinley bill.” ... in 1892 as the Democrats retained the House, captured the Senate, and Cleveland won the presidency. For the first time since 1858, Democrats secured unified control of government. [Irwin]
- **1932 election:** Herbert Hoover loses to F. D. Roosevelt in a landslide.
 - “With hindsight, Hoover (1951– 52, 1:299) wrote that “raising the tariff from its sleep was a political liability...” [Irwin]
- **2018:** [Trump’s trade war cost Republicans congressional seats in the 2018 midterm elections](#)
- **2025:** same story playing out:
 - [Trump's tariffs risk economic turbulence - and voter backlash](#)



5. The narratives of 'fairness,' 'injustice,' combined with currency issues, keep being used to justify tariffs

- **1890:** "Justice to every American industry and to every American laborer" – McKinley
- **1922:** During the debates leading up to the Fordney-McCumber Tariff of 1922, proponents invoked themes of fairness and justice to advocate for higher tariffs. They argued that such measures were necessary to protect American industries and workers from foreign competition, especially in the post-World War I economic climate.
- **1930:** "Because of the depreciation of foreign currencies and lower foreign prices, Hoover argued that "there never has been a time in the history of the United States when tariff protection was more essential to the welfare of the American people than at present" and that it was "imperative that the American protective policy be maintained." [Irwin]
- **2025:** same story playing out:
 - [Trump says Japan, China cannot keep reducing value of their currencies](#)
 - [Trump: US 'ripped off' by 'virtually every country'](#)
 - [After starting trade war, Trump says U.S. has 'been ripped off for decades'](#)

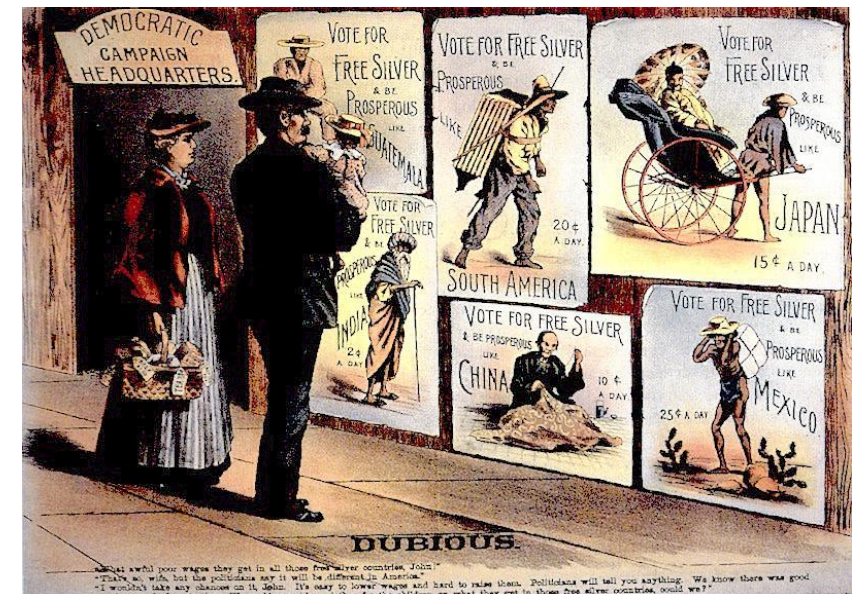


Donald J. Trump ✓
@realDonaldTrump

On Trade, I have decided, for purposes of Fairness, that I will charge a RECIPROCAL Tariff meaning, whatever Countries charge the United States of America, we will charge them - No more, no less!

6. Global currency chaos emanates from large tariffs – weakening nations.

- **1890:** The world's gold and silver standards faced massive strains after the tariff. Global silver prices fell significantly after the tariff, and retaliatory tariffs. The tariffs Made it harder for debtor nations or exporters to the U.S. to earn U.S. gold, which they needed to stabilize their own currencies. Gold began flowing out of the U.S. by 1893.
- **1930:** “While there were sound reasons for Britain’s decision [abandoning the gold standard and allowing the pound to depreciate against other currencies due to financial pressures], it also contributed to the breakdown of international trade relations. First, the British action triggered a defensive reaction by countries that remained on the gold standard. These countries responded by imposing higher trade barriers against countries whose currency had depreciated. A month after the British decision, France imposed a 15 percent surcharge on British goods to offset the depreciation of sterling. In early 1932, the Netherlands, which traditionally had a policy of free trade, increased duties by 25 percent, partly to offset the competitive advantage gained by sterling area producers. Second, the British move stopped the speculative attack on the pound but put other countries under financial pressure and led them to impose exchange controls. [Irwin]
- **2025:** same story playing out:
 - [Trump’s Plans for a Weaker Dollar Could Undermine Global Trade and U.S. Business](#)



7. Tariffs turn into nationalistic bellicose fights and reshape global balance of power

- **1828:** The tariff was one of the early sparks that fueled sectional tensions between the North and South, leading to the Civil War (1861-1865). While not the sole cause, it played a significant role in the growing conflict over states' rights, federal power, and economic disparity.
- **1930:** The tariff caused Britain and France to strengthen their own economic blocks, cutting the U.S. out of key markets. Germany and Japan, facing economic constraints, decided to militarily expand their territories to gain resources, eventually leading to war. America lost its economic leadership at that time, allowing authoritarian regimes to gain strength at the expense of liberal democracies.
- **1930:** “Thomas Lamont of J. P. Morgan, an advisor to Hoover, later recalled, “I almost went down on my knees to beg Herbert Hoover to veto the asinine Hawley-Smoot Tariff. That Act intensified nationalism all over the world.”
- **2025:** same story playing out:
 - [“Canadian premier threatens to cut off US electricity exports ‘with a smile on my face’ as Trump’s trade war rages: ‘They need to feel the pain’”](#)
 - [Canada’s Trade Pivot: Engaging Asia’s Giants for Strategic Autonomy](#)
 - China: [If war is what the U.S. wants, be it a tariff war, a trade war or any other type of war, we’re ready to fight till the end.](#)

Side Bar – Other Strange Similarities

Canada tries to work with America, yet gets hurt more than other countries

- **1890:** “While some Americans thought high tariffs against its goods would “starve Canada into annexation” and force Canada to join the United States, Canada was instead pushed into closer ties with Britain. [Irwin]
- **1930:** “Canada was the most important foreign market for US goods, taking nearly 20 percent of US exports in 1929. About 43 percent of Canada’s exports were sent to the United States; this dependence made it quite sensitive to changes in its access to the US market. The Liberal government of Prime Minister Mackenzie King, which traditionally had pursued pro- American, low- tariff policies, expressed its concern to the Hoover administration about the pending tariff legislation on several occasions as the bill worked its way through Congress. [Irwin]
- **2025:** same story playing out:
 - [Justin Trudeau visits Trump at Mar-a-Lago](#)
 - [Canada was Americas top trading partner \(goods + services\) in 2023](#)

Trade surplus, or deficit, American makes the same tariff decisions

- **1930:** In their view [Europe], the world’s largest creditor nation [America], with a substantial trade surplus, was needlessly restricting the exports of countries that were desperately trying to pay off their burdensome World War I debts. [Irwin]
- **2025:** same story playing out:
 - [Fact Sheet: President Donald J. Trump Announces “Fair and Reciprocal Plan” on Trade](#) [tariffs due to trade deficits]

8. Tariffs create new constitutional debates and changing power dynamics among branches

- **1828:** John C. Calhoun’s “South Carolina Exposition and Protest” (1828) argued that states had the right to nullify federal laws they deemed unconstitutional. South Carolina attempted to nullify the tariff in 1832, leading to a direct confrontation with President Andrew Jackson, who rejected nullification as unconstitutional and treasonous. Jackson’s response (Force Bill, 1833): He threatened to use military force to enforce tariff collection, setting a precedent for federal authority over states.
- **1930:** “Disillusioned by the way the “flexible tariff” provision had been employed to raise tariffs during the 1920s, they rallied behind a proposal from James Collier (D- MS), the chairman of the Ways and Means Committee, to wrest from the president the ability to adjust tariff rates and give Congress that authority instead. The bill would also create an office of consumers’ council, so that consumer interests, and not just those of producers, would be represented when tariff changes were contemplated. Finally, in view of the deterioration in international trade relations, the bill invited the president to confer with other countries to improve the trade situation, although it did not authorize the reduction of any tariffs in such negotiations. Congress passed the Collier bill in early 1932, but the president vetoed it. In his veto message, Hoover objected to the elimination of presidential authority over the flexible tariff, arguing that the provision was “the proper way to eliminate excessive duties and any injustices in the tariff and to provide flexibility to changed economic conditions.”
- **2025:** same story playing out:
 - [“Trump’s tariffs showcase his extraordinary presidential power — and its limitations”](#)
 - [Republicans block Senator Coons’ bill on Senate floor that would prevent President Trump from unilaterally imposing tariffs on allies](#)

9. Populism, power and ideology clouds economic reality for policymakers.

- **1828:** Henry Clay: “He went so far as to attack the Swiss- born Albert Gallatin as an “alien” who, in participating in the Free Trade Convention, did not have the country’s best interests at heart.” [Irwin]
- **1890:** “Even McKinley seemed to distance himself from the tariff that bore his name. When asked why he approved of such high rates in the House proposal, McKinley replied, “for the best reason in the world, to get my bill passed. My idea was to get the act through Congress, and to make necessary reductions later. I realized that some things were too high, but I couldn’t get my bill through without it. [Irwin]
- **1930:** “Smoot rejected the [U. of Wisconsin economic] report, saying that the “eminent economists” had made some “idiotic errors” and that “if they missed the mark half so widely as they missed the mark in sugar, every line of the tract is verbal rubbish.” Smoot said that Congress was being asked to accept the advice of the economists “in a matter of which they have not the slightest practical knowledge” whereas “practical sugar men . . . have appeared before the Senate Finance Committee to tell of the absolute necessity of a higher rate on sugar. They have assured us that a higher rate is no threat to the consumer, and that it is no threat to the welfare of Cuba.” [Irwin]
- **2025:** same story playing out:
 - [Peter Navarro knows better than American business on inflation](#)
 - [Peter Navarro accuses tariff critics of ‘dishonoring’ those who have died from fentanyl overdose.](#)



10. Curiously, leaders know tariff policies are bad but don't halt them.

- **1828:** “In the end, Congress forced Adams to accept a stricter tariff than he would have preferred by refusing to consider more moderate proposals. Adams had to choose between a stringently protective tariff or no tariff at all, and Adams accepted the former. [<https://millercenter.org/president/jqadams/domestic-affairs>]
- **1890:** “Even McKinley seemed to distance himself from the tariff that bore his name. When asked why he approved of such high rates in the House proposal, McKinley replied, “for the best reason in the world, to get my bill passed. My idea was to get the act through Congress, and to make necessary reductions later. I realized that some things were too high, but I couldn't get my bill through without it. . . . [Irwin]
- **1930:** “Few members of Congress rejoiced at the passage of the bill...The bill then went to the White House for the president's approval. Hoover (1951– 52, 1:296) later wrote that he was “deluged with a mass of recommendations as to approval or veto from representatives of a diversity of interests.” Manufacturers offered tepid support for the legislation, at least for finally resolving uncertainty about Congress's action, if not for the actual outcome. Farm organizations were skeptical of, if not outright hostile to, the bill... [Irwin]
- **1930:** “But the overall public reaction to Congress's long, drawn- out tariff- making process was largely negative. The president's correspondence secretary informed him that “there has seldom been in this country such a rising tide of protest as has been aroused by the tariff bill.” [Irwin]
- **2025:** same story playing out:
 - [Republicans squirm as Trump's tariffs come for their states](#)
 - [Trump says a 'little disturbance' from tariffs is OK, as markets reel from trade war fears](#)

