New tariffs on Canada will increase costs for Americans

Canada is a core enabler of U.S. economic strength, security, and global leadership. Over 70% of Canadian goods exported to the U.S. are used in the production of American products.

The U.S. is considering a 50% tariff on roughly $20 billion of imports from Canada. These Section 338 tariffs would **cost American businesses and households up to $10 billion annually**. What's more, they carry **no expiry date** and there is **no exemption for USMCA-compliant goods**.

Most of the goods that would be covered by the tariffs are parts and materials that American factories and households use every day.

New tariffs hit America's critical sectors

- U.S. companies that import $4 billion each year in electrical equipment from Canada will have to pay up to $2 billion in tariffs for **wiring, circuit boards, and control gear that support critical infrastructure**, including hospitals, AI data centers, and utility substations.
- U.S. companies that import $1.5 billion each year in industrial machinery from Canada will have to pay up to $750 million for **equipment powering American manufacturing**, construction, and farming.

Tariffs increase everyday costs for American households and small businesses

- New tariffs on Canadian products will mean a **direct hit to the bottom line for families and businesses**.
- This includes more than $2 billion in furnishings, lighting, and other sectors where small businesses have the least room to absorb higher costs.
- The result: Americans will pay more to outfit their homes and run their small businesses.

Tariffs hit American factory floors

- Tariffs will hit **hundreds of intermediate inputs. This cost increase will land on U.S. producers first.**
- These inputs include more than $3 billion in plastics and $1.3 billion in paper and paperboard, increasing costs for packaging, grocery stores and e-commerce fulfilment.

CANADA IS AT THE NEGOTIATING TABLE AND IS PUTTING FORWARD SERIOUS AND CONSTRUCTIVE PROPOSALS.

LET'S WORK THROUGH ISSUES AS PARTNERS AND ALLIES.

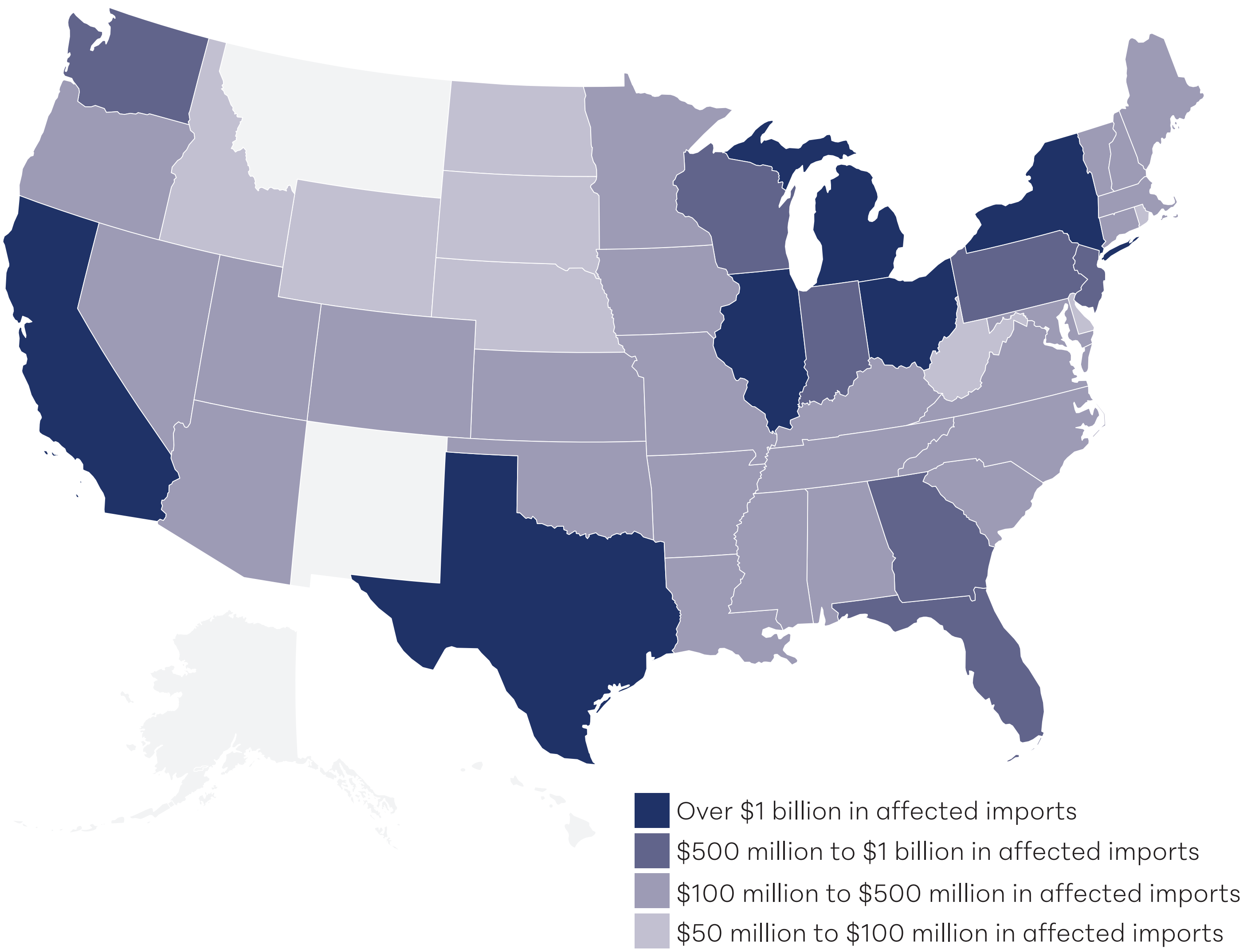
Tell policymakers in Washington that Section 338 tariffs on Canada are bad for American businesses and households.

Section 338 tariffs would hit every U.S. state

This latest round of tariffs on Canada would increase input prices nationwide. U.S. firms are already navigating the cost and complexity of existing and proposed Section 232 and 301 tariffs on Canada.

Now is the time for states, industry associations, businesses, and Congress to speak up about how these tariffs will worsen affordability and diminish America's strength.

Section 338 tariffs on Canada would impose high costs on state economies



Tariffs on Canada hurt U.S. businesses, workers and households.

Source: 2025 data from the U.S. Census Bureau. All figures are in U.S. dollars