

Vital Briefing—Tariff Insights

Taking new action against Canadian imports, Trump stokes trade war concerns

By Thomas Thompson

President Trump [announced](#) new tariffs on Canadian imports on Tuesday, September 8, and adjusted some of the 50 percent tariffs he imposed last month. Cheddar, Swiss and blue-veined cheeses were added to the list of tariffed products, along with motorboats, leather and fur articles. Cement and salt were dropped.

On Monday, ahead of Canada's newest tariffs coming into effect on Tuesday, Trump threatened a ban on aircraft sales from Canadian manufacturer Bombardier.

The U.S. is also "excluding from import" the wine, beer, whiskey, whey, motorcycles and mopeds that Trump had tariffed at 50 percent in August. Trump said his actions are "necessary and appropriate to ban certain Canadian products from entering the U.S. market."

Trump's alcoholic beverage import prohibition parallels bans on U.S. liquor imports imposed by all but two Canadian provinces last year. The provinces banned the U.S. alcoholic beverages after Trump imposed 25 percent tariffs on many Canadian goods.

According to the White House, Tuesday's actions, like its August tariffs, follow from Canada's ongoing discrimination against U.S. imports.

Reciprocal tariffs. Canada's retaliatory tariffs kicked in on September 8. Import

levies were set at 50 percent on \$20 billion worth of targeted goods.

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The value mirrors Trump's 50 percent tariffs on \$20 billion of Canadian imports. First announced in July, Trump's tariffs went into effect in August after negotiations to head them off failed.

On Tuesday, Canadian Prime Minister Mark Carney [said](#) in video remarks, "We can't let American goods into Canada tariff-free while they charge our companies to export."

According to the Canadian leader's statement, the tariffs "will come with a cost—there's always a cost to action. But it doesn't come close to the cost of standing still."

Canada's retaliatory tariffs are concentrated in steel and aluminum, dairy, appliances, farm equipment, pulp and paper, plastics, and electronics. Existing Canadian tariffs on steel and aluminum increased from 25 per cent to 50 per cent to match U.S. levels on Tuesday. Canada had previously imposed tariffs on steel and aluminum imports from the U.S. in retaliation for earlier Trump tariffs.

The U.S. exported about \$333.6 billion of goods to Canada in 2025. The value of goods and services traded between the two countries in 2025 totaled \$879.9 billion.

Unhinged. In a *Financial Times News Briefing* podcast on September 4, U.S. Trade Representative Jamieson Greer dismissed the urgency of Canadian concerns about tariffs, [saying](#), "It's like a rounding error."

In the interview, Greer said Canada is the only country that has retaliated against Trump's tariffs, ignoring last year's tit-for-tat escalating tariffs with China.

"And so, to kind of have it whipped up into this giant thing where we're talking about war and economic attacks and all these things, it's a little unhinged," Greer continued.

Greer said negotiations between the U.S. and Canada last month had been on the brink of “a very good deal” before collapsing. He told the podcasters, “What I will say is President Trump actually loves this kind of thing, so anyone who thought, well I’m gonna flame out this whole deal and, you know, stick it to President Trump. I mean, it’s kind of what he enjoys doing.”

Battlefield update. In a September 3 [commentary](#) posted on the think tank’s website, the Cato Institute’s vice president for general economics, Scott Lincicome, said the trade and tariff deals Trump has pursued since coming into office are “much less than meet the eye.”

Lincicome asserts that the more than 20 trade deals the administration touted last year are “turned out to be little more than press releases.” Headline deals with the EU, Japan and South Korea produced little of the flood of new investment they promised. Deals last year featured foreign countries’ commitments for new investments to fuel U.S. growth and create new jobs.

An investment commitment bargained down Trump’s tariff rate for a country or provided other concessions during negotiations.

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Lincicome says Japanese officials believe only 1 or 2 percent of Japan’s \$550 billion commitment might be in the form of direct investment. Japan views the deal as a cancellable “administrative understanding.”

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The EU law automatically sunsets this year if the U.S. does not provide substantial relief from current tariffs for European steel and aluminum.

Lincicome notes the EU has no authority to compel member states to fulfill its investment commitment, which it negotiated for a lower general tariff rate and a promise of protections for key exports against a promise to invest \$750 billion in the U.S.

South Korea’s investments have been thrown “into uncertainty,” according to Korean news sources, even after the country enacted legislation to facilitate the investments into the U.S.

Factory work. In his FT podcast interview Greer said the U.S. has created a modest number of new manufacturing jobs pointing to net growth of about 30,000 manufacturing jobs this year. The Commerce Department estimates 68,000 manufacturing jobs were lost in 2025.

Greer did not respond to a statement from one of the podcasters that “critics say that these jobs have mostly appeared in computer and electronic products, chips, other AI-related sectors, and they’re not the sort of manufacturing jobs that you talk about wanting to boost.”