

U.S.–Canada Tariffs

Incidence, Economic Exposure, and Conditional Policy Scenarios

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Ames Investment Systems Research

Data and Policy Cutoff: September 11, 2026, 21:25:00 UTC

Market observations through September 10; Census goods observations through July 2026.

Data and Policy Cutoff: September 11, 2026, 21:25:00 UTC.

Ogdn Ames | September 11, 2026 Research report with explicitly disclosed evidence limitations. APA-style research paper and reproducible analytical supplement.

Scope of verification. Policy documents retrieved during this run establish the measures described below; this is not a customs ruling or an exhaustive transaction-level tariff determination. Market observations end September 10, 2026. Census goods observations end July 2026. Source retrieval timestamps and hashes are preserved separately. A July central-bank projection is not a September forecast. Incomplete live-news coverage and missing customs microdata limit the conclusions.

Abstract

This study examines U.S.–Canada trade restrictions using government instruments, Census trade values, central-bank publications, academic evidence, Bloomberg market observations, and archived institutional research. The verified policy state differs materially from the 2025 emergency-tariff framework. U.S. emergency duties under specified International Emergency Economic Powers Act orders were ended in February 2026; a temporary Section 122 surcharge was scheduled to expire July 24, when a Section 301 regime began, with an exemption for qualifying USMCA entries. Selected Canadian products became subject to 50% Section 338 duties on August 22. Canada introduced listed countermeasures at 15%, 25%, or 50% on September 8. U.S. scope changes scheduled for September 15 and selected import bans scheduled for September 29 are not classified as currently effective. Observed U.S. goods imports from Canada declined 7.25% in nominal U.S. dollars in 2025, but increased 1.76% in January–July 2026 relative to the same months of 2025; neither change identifies a tariff effect. Historical studies support substantial importer-side incidence while distinguishing border from retail pass-through. A transparent sensitivity model shows that a hypothetical 25% tariff, full border pass-through, and import-demand elasticity magnitude of two reduce quantity by 36% and generate 160 million currency units in revenue per billion units of annual baseline

imports. These are conditional calculations, not contemporary estimates. A causal bilateral GDP loss, household burden, employment effect, or political probability distribution cannot be supported by the retrieved evidence. The paper therefore presents unweighted scenarios, explicit missing-data fields, and qualitative research-integrity assessments.

Keywords: tariffs, Canada, United States, trade incidence, USMCA, retaliation, conditional scenarios

Executive Summary

The two-minute assessment

The dispute now combines several legal regimes, not a single countrywide tax. The principal verified recent changes are the August 22 implementation of U.S. Section 338 duties on selected goods and Canada's September 8 response. Canada's official summary identifies C\$27.6 billion of products in the new countermeasure package and describes the corresponding U.S. package as targeting C\$27.6 billion of Canadian goods. These are government-stated coverage values, not measured September import flows or tariff receipts (Department of Finance Canada, 2026a). The underlying coverage year and exact valuation crosswalk were not established; they must not be silently substituted for the 2025 Census denominator.

The current Canadian package includes 15%, 25%, and 50% schedule rates. Some existing steel and aluminum rates rise from 25% to 50%; existing auto countermeasures continue. Remission provisions materially change potential collections, particularly for qualifying manufacturing inputs. The September 4 order and September 7 customs notice take precedence over June summaries that still describe a 25% steel/aluminum regime (Government of Canada, 2026; Canada Border Services Agency [CBSA], 2026a).

The next dated U.S. actions are already announced, but not yet effective: September 15 scope modifications and September 29 import exclusions. The instrument concerning motor-vehicle

discrimination does not establish a blanket ban on Canadian passenger cars. Its September 29 annex lists HTS 8711.50.00, motorcycles and related cycles with reciprocating engines over 800 cc. The alcohol ban includes packaging limitations; the dairy ban identifies specific lines. Product descriptions and political dispute headings are not substitutes for the annexes (The White House, 2026g–2026i).

Historical empirical evidence suggests that importers and domestic buyers often bear much of the initial duty-inclusive price increase. Retailers can compress margins, exporters can concede prices, and workers can bear lost hours or wages. The evidence does not identify the largest current bilateral dollar burden across these groups. Nor does it establish that domestic producers invariably gain: protection can coexist with more expensive inputs and export retaliation.

Condensed outcome table. “Unsupported” means not estimated in this study, not zero.

Conditional columns compare policy mechanisms over the following 12 months, through September 11, 2027, against a same-date policy counterfactual with other shocks held constant. They are not ranked by likelihood.

Outcome	Observed/current evidence	Persistence, conditional	De-escalation, conditional	Escalation, conditional
U.S. real GDP	Bilateral tariff attribution unsupported	Input and export frictions persist; magnitude unsupported	Lower trade frictions; aggregate magnitude unsupported	Larger distortions; aggregate magnitude unsupported
Canadian real GDP	BoC reports Q2 recovery; not a tariff estimate	Concentrated export and investment pressure	Export access and investment certainty improve	Export-market restrictions intensify
U.S. inflation	Bilateral contribution unsupported	Price-level wedge persists; not permanent inflation	Some imported prices may fall	New cost shocks possible
Canadian inflation	July inflation excluding gasoline 2.2%; BoC Sept. 2 assessment	Remission and substitution affect transmission	Counter-tariff price wedge declines	Larger input and consumer-price pressures
Household costs, both countries	National dollars and quintile estimates unsupported	Depends on baskets, retail margins, relief	Lower duty exposure, not necessarily full retail reversal	Higher exposure; substitution constrains spending losses
Jobs, both countries	Causal net count unsupported	Sector reallocation and hours adjustment	Some exposed activity may recover	Concentrated layoffs possible; national net unsupported

Outcome	Observed/current evidence	Persistence, conditional	De-escalation, conditional	Escalation, conditional
Bilateral goods trade	US\$715.542bn in 2025; US\$439.141bn Jan.–July 2026	No supported aggregate volume forecast	Lower barriers facilitate trade	Restricted lines lose access or face higher prices
Corporate earnings	Country-input shares and tariff-specific revisions missing	Firm-specific; no EPS forecast	Lower costs for importers; protection rents may shrink	Input costs and export losses; mixed protected-producer effects
CAD/USD	US\$0.7229 per C\$1, calculated from Sept. 10 Bloomberg USD/CAD	Direction not identified	Trade improvement may support CAD, other things equal	Weaker exports may weigh on CAD; oil and rates can offset
Political probability	Not assigned	Not assigned	Not assigned	Not assigned

The strongest quantitative results are descriptive trade changes, statutory rates and dates, historical external estimates, market observations, and transparent unit-exposure sensitivities. The study does not provide a probability-weighted national economic forecast. This preserves neutrality and avoids converting missing evidence into numerical confidence.

1. Introduction

Tariffs change relative prices at the border, but their economic consequences depend on the production system behind that border. A tax on an imported finished household product has a different transmission path from a tax on a metal input used by manufacturers on both sides of an integrated supply chain. Exemptions, origin certification, inward processing, remission, and product-specific legal provisions can dominate the difference between a headline rate and the amount actually paid.

The central question is therefore not simply whether a nominal tariff rate is high. It is how a verified legal restriction changes a specific transaction, which party initially remits the duty, which party ultimately loses real income, and how production, consumption, investment, and trade respond. The relevant counterfactual is an otherwise comparable economy without the particular restriction, not the economy's previous calendar year. Economic growth can recover despite continuing tariff damage relative to that counterfactual, and a trade deficit can shrink without any improvement in national welfare.

This paper considers costs and benefits symmetrically as economic categories. Potential gains include protected-producer surplus, government revenue, and possibly strategic capacity or improved terms of trade. Potential costs include consumer surplus losses, input-cost pressure, retaliation, adjustment costs, lost varieties, and weaker productivity. Strategic capacity is not assigned a monetary benefit without a specified objective, probability model, and evidence of additional capacity. Similarly, stated governmental objectives are attributed to the issuing authority rather than treated as independently demonstrated economic outcomes.

The investigation follows the uploaded prompt's substantive coverage while replacing political probability rankings, policy scores, and weighted political-path forecasts with conditional comparisons. It retains uncertainty assessment but does not assign numerical integrity scores. Monte Carlo simulation is not performed because the joint parameter distributions required for a defensible bilateral macroeconomic exercise were not obtained.

2. Current State of the Trade Conflict

2.1 Legal state, entry date, and collection are different variables

Every measure is assigned a status at the cutoff. An announcement can affect inventories and asset prices before any duty is collected; an effective tariff can coexist with exclusions or refunds; an expired measure must not remain in a baseline merely because an old article reports it. Legal authority also matters. USMCA qualification can exempt a product from one regime while another sector-specific regime still applies.

Executive Order 14389 of February 20, 2026, states that the listed IEEPA duties, including those under the northern-border order, shall no longer be in effect and shall cease being collected as soon as practicable. It leaves other non-duty actions and emergency declarations unaffected. This paper consequently excludes those IEEPA tariffs from the September active-rate map. The retrieved order does not establish the exact operational last collection date or the outcome of any refund claim (U.S. President, 2026a).

A separate Section 122 proclamation imposed a 10% temporary surcharge beginning February 24, with an explicit endpoint of July 24 unless Congress extended it. Qualifying duty-free Canadian and Mexican entries were exempted. The subsequent Section 301 implementation notice establishes July 24 as its effective date and a 10% Canadian rate with a USMCA exemption under heading 9903.05.93. The two regimes must not be added as continuing September duties. No extension of the Section 122 surcharge was verified in this search (U.S. President, 2026b; U.S. Trade Representative [USTR], 2026b).

Table 1

Verified U.S. measures affecting Canada: principal regimes and gaps

Measure and authority	Announcement / effective date	Status at cutoff	Rate and scope	Exceptions / unresolved exposure	Primary evidence
Specified IEEPA emergency duties	Ending order Feb. 20, 2026	Ended; collection cessation instructed	No longer an active September rate	Exact cessation/refund timing not established	U.S. President, 2026a
Section 122 surcharge	Feb. 20 / Feb. 24, 2026; scheduled endpoint July 24	Expired on instrument's terms; no extension verified	10% during operative period	Duty-free USMCA goods excepted	U.S. President, 2026b
Section 301, forced-labor-import investigations	Presidential direction July 23 / July 24, 2026	In force, partially exempted	10% for Canadian goods otherwise covered; heading 9903.05.29	USMCA free entry, specified products, sectoral exclusions; not 10% on all Canadian trade	USTR, 2026b
Section 232 metals restructuring	Apr. 2 / Apr. 6, 2026, amended June 1	In force, product-dependent	50% or 25% on full customs value in principal lists; temporary 15% combined-rate mechanism for designated products	U.S.-metal content relief, content thresholds, civil aircraft rules and later adjustments; exact line match required	U.S. President, 2026c, 2026d
Section 232 aluminum investment program	July 20, 2026	Authorized conditional relief	Reduced tariffs tied to qualifying capacity investment	Individual approved allocations not obtained	U.S. President, 2026e
Passenger vehicles and parts, Section 232	Mar. 26 / Apr. 3, 2025 for vehicles; parts implementation separate	In force, partially exempted	25% vehicle rate; qualifying non-U.S.-content treatment	Parts, offsets, and subsequent modifications require transaction review	U.S. President, 2025a, 2025c
Medium/heavy vehicles, parts and buses	Oct. 17 / Nov. 1, 2025	In force, partially exempted	25% designated vehicles/parts; 10% buses	USMCA content and qualifying parts provisions; no aggregate taxable base obtained	U.S. President, 2025c

Measure and authority	Announcement / effective date	Status at cutoff	Rate and scope	Exceptions / unresolved exposure	Primary evidence
Wood products, Section 232	Sept. 29 / Oct. 14, 2025	In force; scheduled increases postponed	10% specified softwood; 25% specified upholstered products, cabinets/vanities	Separate AD/CVD cash deposits are not included in these rates	U.S. President, 2025b, 2025d
Wood scheduled increases	Amended Dec. 31, 2025 / Jan. 1, 2027	Announced, not effective	30% specified upholstered products; 50% cabinets/vanities, subject to exceptions	Not a current September 2026 rate	U.S. President, 2025d
Three Section 338 dispute packages	July 20 / initially Aug. 19; suspended to Aug. 22, 2026	In force	50% on annex-listed goods related to alcohol, dairy and motor-vehicle disputes	No blanket USMCA exemption; original Section 232/civil-aircraft exclusions; government-stated C\$27.6bn combined coverage	The White House, 2026a–2026d; Department of Finance Canada, 2026a
Section 338 scope changes	Sept. 8 / Sept. 15, 2026	Announced, not effective	New and removed lines; explicit addition to Section 232 duties for modified scope	Sept. 15 stacking cannot be backdated to Sept. 11	The White House, 2026e, 2026f
Section 338 selected import bans	Sept. 8 / Sept. 29, 2026	Announced, not effective	Selected alcohol, dairy, and HTS 8711.50.00 products excluded from importation	Packaging, transit/entry and severability provisions matter; not a general auto ban	The White House, 2026g–2026i
Other sectoral restrictions and trade remedies	Various	Individually unresolved in this synthesis	Retrieved UAS, polysilicon and quartz instruments; lumber AD/CVD and other orders require fuller line-level review	No assertion of a comprehensive all-products effective rate	Source archive and Appendix A

Note. Dates are instrument dates and operative dates, not necessarily Federal Register publication dates. Rates are additional duties unless the row explicitly identifies a combined-rate mechanism. The source archive contains the annexes and extracted codes. A code count is not the value of affected trade. The full tariff map remains incomplete for less central sectoral instruments and individual administrative determinations.

2.2 Canada's September change

Canada's official consolidated list, updated for September 8, identifies targeted sectors including dairy, steel and aluminum, appliances, agricultural equipment, pulp and paper, plastics, and electronics. The Government's C\$27.6 billion characterization is a coverage measure. It is not proof that the same volume continues to be imported after tariffs, that all

covered lines face 50%, or that no remission applies. Moreover, parts of the package replace older rates rather than adding wholly new taxable trade (Department of Finance Canada, 2026a).

Table 2

Canadian measures: current, superseded, and conditional treatment

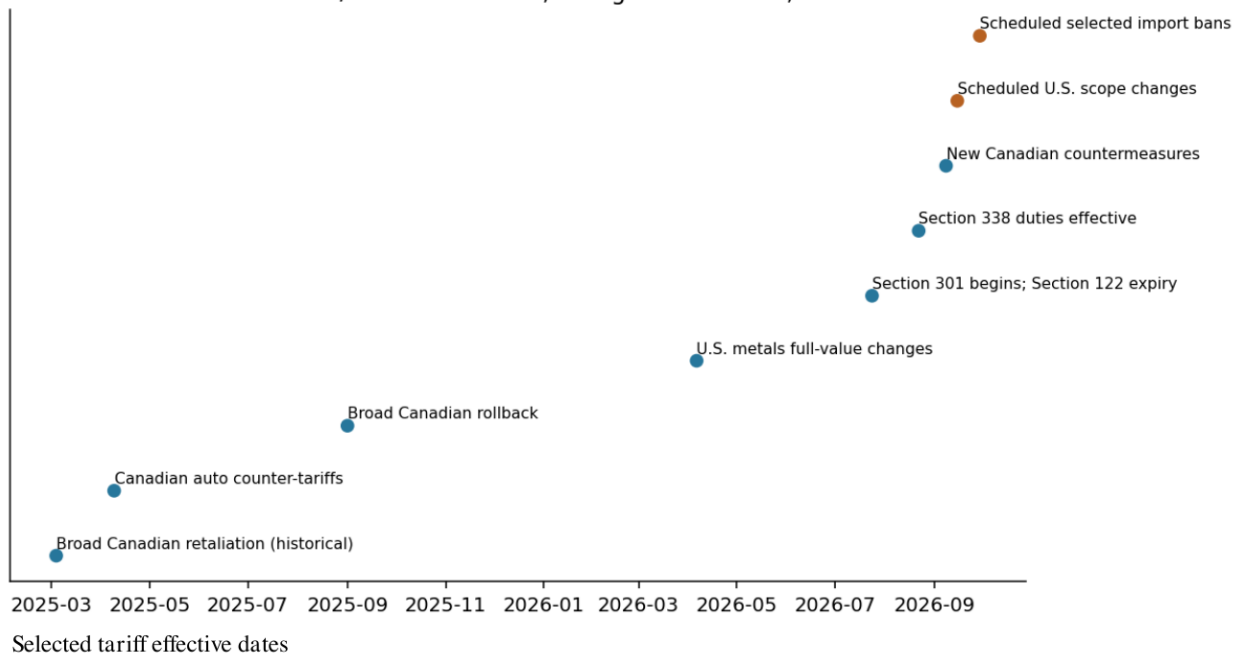
Measure	Announcement / effective date	Status	Rate / basis	Relief and scope	Source
United States Surtax Order (2026)	Order Sept. 4; customs notice Sept. 7 / Sept. 8	In force	Schedules 1–3: 15%, 25%, 50% of value for duty	U.S. marking origin; transit, specified Chapter 98/99 and other exceptions	Government of Canada, 2026; CBSA, 2026a
Listed steel/aluminum increases	Sept. 2026 package / Sept. 8	In force for listed lines	Certain existing 25% rates become 50%	Read amended schedules; not a blanket assumption for every metal product	Department of Finance Canada, 2026a
Auto countermeasures	Apr. 2025 / Apr. 9, 2025	In force, partially relieved	25% non-CUSMA vehicles; 25% non-Canadian/non-Mexican content of compliant vehicles	Production-linked remission and content calculations	Department of Finance Canada, 2026c
Broad March 2025 lists	Mar. 4 and Mar. 13, 2025 / rollback Sept. 1, 2025	Broad rollback; sector exceptions retained	Do not retain historical broad rates as current	September 2026 separately restores selected coverage	Department of Finance Canada, 2026d
Steel derivatives	Dec. 26, 2025	In force, subject to precedence	25% targeted full-value products	New U.S. surtax and derivative surtax are not cumulative	Department of Finance Canada, 2026b; CBSA, 2026a
Steel TRQs on non-CUSMA origins	Revised Dec. 26, 2025	In force for non-CUSMA origins	50% above specified quota quantities	Canadian, U.S., and Mexican origin exempt; relevant to diversion, not a direct U.S. tariff	Department of Finance Canada, 2026b
Manufacturing and other remission	Amended Sept. 4 order	Conditional relief	Waiver/refund, not a new statutory rate	Amended time limits differ by metal schedule; input eligibility and conditions must be verified	Government of Canada, 2026; CBSA, 2026b
Provincial alcohol restrictions	Multiple provincial actions	Not fully mapped	Procurement, retail restrictions and levies differ from customs duties	U.S. instrument descriptions are attributed claims; provincial verification incomplete	The White House, 2026g

2.3 Conflicts resolved and conflicts left open

The June Canadian metal page describes 25% U.S. steel/aluminum tariffs, while the September consolidated page and order identify increases on specified lines. The later operative order governs. The July Bank of Canada assumption of a 5.0% average U.S. tariff on Canada and 1.5% in the reverse direction predates the Section 338 implementation and September retaliation; it cannot certify current averages. The old Canadian response page is explicitly archived, and its remission endpoint must not be carried forward without checking amendments.

An additional subtlety is the distinction between suspension and repeal. The August 18 U.S. proclamation delayed the Section 338 duties for three days. The September instruments state that the suspension lapsed and duties became effective August 22. A timeline that starts collection August 19 overstates the operative period. Finally, September 15 modifications expressly allow stacking with Section 232 in the changed scope, unlike the original July packages' exclusion. All these distinctions can materially alter bottom-up arithmetic.

Figure 2. Selected effective-date timeline
Blue: historical/in force at cutoff; orange: announced, future



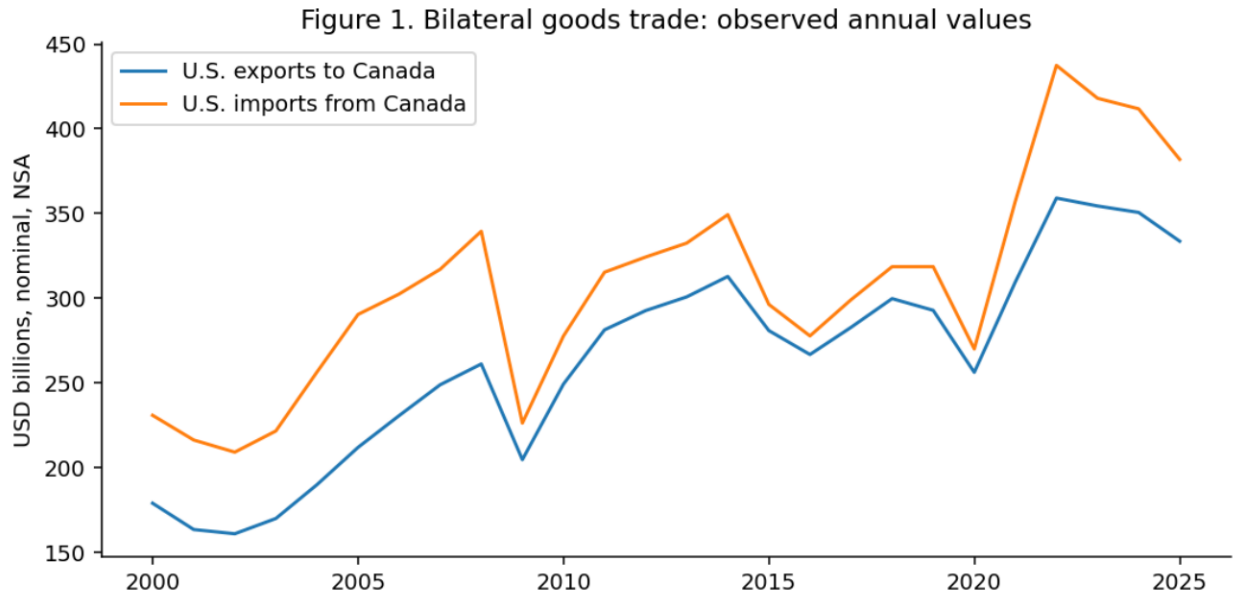
3. U.S.–Canada Economic Integration

3.1 Observed bilateral trade

The Census country page reports goods on a nominal, not seasonally adjusted, U.S.-dollar basis. In 2025, U.S. exports to Canada were US\$333.620 billion and imports were US\$381.922 billion. Goods trade totaled US\$715.542 billion; the U.S. deficit was US\$48.302 billion. The corresponding 2024 export and import values were US\$350.606 billion and US\$411.772 billion. Calculated changes were -4.84% and -7.25% , respectively (U.S. Census Bureau, n.d.).

January–July 2026 exports were US\$205.476 billion and imports US\$233.665 billion. Against the same seven months of 2025, these increased 2.91% and 1.76% . This is an important check against an unqualified narrative of continuously collapsing bilateral trade. It does not disprove a negative causal tariff effect: prices, energy values, inventory movements, and other demand changes can increase nominal trade while real activity remains below a no-tariff counterfactual. July data also precede the major August and September measures. The 2025–2026 trade changes are calculated from nominal values, not deflated quantities.

USTR reports 2025 services exports to Canada of US\$92.3 billion and imports of US\$64.5 billion, and combined goods/services trade of US\$872.3 billion. The agency labels these totals estimated. Services should not be included in the merchandise tariff base, although transport, finance, tourism, and business services can be affected indirectly. Differences between rounded USTR values and Census values are consistent with rounding and potentially revisions; no attempt is made to force them into artificial exact equality (USTR, 2026a).



Historical bilateral goods trade

Table 3

Trade exposure by economic category: measured totals and explicit gaps

Category	Verified exposure	Currency / period	What is not established
Total U.S. goods exports to Canada	333.620bn	USD, 2025, nominal NSA	Real volume and tariff-attributable change
Total U.S. goods imports from Canada	381.922bn	USD, 2025, nominal NSA	Current dutiable subset and paid effective rate
Total services trade	156.8bn, USTR estimate	USD, 2025	Bilateral tariff-induced services effects
Agriculture and food	USTR describes more than 30bn U.S. exports and more than 40bn Canadian exports	USD; 2024 contextual discussion	Harmonized current sector totals, real quantities and affected-line shares
Energy	Identified by USTR among leading flows	No sector dollar total verified	Grade, pipeline, refinery and product-level exposure
Vehicles and parts	Identified among leading integrated flows	No harmonized 2025 HS total retrieved	Parts versus completed vehicles, content-adjusted taxable values
Steel/aluminum	Direct statutory exposure verified	Schedule rates rather than trade value	Sector trade values, metal-content and remission utilization
Lumber, paper, chemicals, machinery	Relevant primary tariff lines identified	Product-specific	Bilateral industry-output shares and input dependencies
Technology, pharmaceuticals, capital/consumer goods	Sectoral and end-use classification required	Unsupported as quantitative breakdown	Concordance from HTS to industry and final use

Sources: Census; USTR (2026a); operative schedules. The public Census HS API requests returned a “Missing Key” page, not sector observations. No API key was accessed or requested. Consequently, this table does not fabricate a numerical sector ranking.

3.2 Exposure is asymmetric but not mechanically proportional to country size

USTR's contextual account says Canada sent over three-quarters of its goods exports to the United States in 2024, while almost half its goods imports came from the United States. That concentration makes U.S. market access an important Canadian macroeconomic channel. The U.S. economy is larger and more diversified, but specific U.S. plants, communities, and firms can still depend heavily on Canadian inputs or customers. A national average can conceal a severe local bottleneck.

Industry sales, imports, and domestic value added are different denominators. An auto part can be counted in gross trade more than once as production crosses borders. Dividing gross tariffed imports by sector GDP can therefore overstate the domestic value added directly at risk. Conversely, a small specialized input can constrain an entire assembly line, making its production significance much larger than its invoice value. A proper exposure map requires both monetary input shares and evidence of technical substitutability.

4. Literature Review

Amiti, Redding, and Weinstein (2019) found complete pass-through of the 2018 tariffs to domestic prices of imported goods and estimated a U.S. real-income reduction of US\$1.4 billion per month by the end of 2018. This is an external estimate for an earlier, broader episode, not a contemporary Canada-specific cost. Its relevance is the demonstrated mechanism and the distinction between tariff revenue and real-income loss.

Fajgelbaum et al. (2019) estimated losses to U.S. consumers and firms purchasing imports of US\$51 billion, or 0.27% of GDP, in their analysis of the 2018 episode. After accounting for tariff revenue and domestic-producer gains, their aggregate real-income loss was US\$7.2

billion, or 0.04% of GDP. The difference illustrates why multiplying imports by tariff rates is not a national welfare calculation. It also shows why seemingly inconsistent headline estimates can answer different questions.

Cavallo et al. (2019) found nearly full pass-through to prices paid by importers but more mixed retail-price effects. Some retail margins compressed, and inventory accumulation before implementation complicated inference. They also found that U.S. exporters reduced prices for products hit by foreign retaliation relative to untargeted exports. This challenges any universal assumption that foreign exporters never absorb tariffs, while supporting importer incidence as a meaningful empirical starting point.

The U.S. International Trade Commission (USITC, 2023) estimated that Section 232 tariffs reduced covered steel imports by 24.0% and aluminum imports by 31.1% on average during 2018–2021. U.S. steel and aluminum production increased by 1.9% and 3.6%; average market prices rose by 2.4% and 1.6%. Annual production-value gains were approximately US\$1.5 billion and US\$1.3 billion, while downstream industries experienced an average US\$3.4 billion production-value reduction. These are model-specific production results, not directly additive welfare quantities.

Flaaen and Pierce (2019) found relative employment reductions in more tariff-exposed U.S. manufacturing industries, as input-cost and retaliation effects outweighed import-protection effects. Their relative-industry identification does not supply a national net employment count for the current bilateral episode. It nevertheless establishes that downstream and export channels cannot be omitted when discussing manufacturing workers.

External validity is limited. The current dispute includes Canada-specific supply chains, revised full-value metal tariffs, content rules, remissions, Section 338 restrictions and scheduled bans. A historical elasticity estimated for a broad product group or another source country is not automatically transferable. The present paper therefore does not assign invented sector-specific elasticities. It uses a transparent illustrative grid and reports the calibration gap.

5. Economic Theory of Tariffs

5.1 Legal payer versus economic incidence

The importer normally accounts for customs duty. Economic incidence depends on price adjustment and substitution. In a simplified competitive model, the more inelastic side of the relevant market tends to bear more of a wedge. A foreign supplier with few alternative buyers may concede price; a buyer with no usable substitute may absorb most of the increase.

Contracts, invoice currency, market power, inventories, and financing can delay or redistribute the adjustment.

Border pass-through is not the same as final-consumer pass-through. The latter depends on the import component of retail cost, domestic distribution margins, tax interactions, competitive pricing, and the consumer basket. A manufacturer may absorb a duty through lower margins today and recover it through a contract reset later. A retailer may spread a cost increase across untariffed items, so tracking only the tariffed stock-keeping unit misses part of the burden.

5.2 Transfers, efficiency, and terms of trade

For an importing country, a tariff can transfer income from buyers to government and protected producers. Those transfers are not themselves deadweight losses. Distortions arise when efficient consumption or production is displaced, when resources move into higher-cost uses, or when varieties disappear. If foreign export prices fall, the importing country may obtain a terms-of-trade gain, but retaliation and general-equilibrium adjustment can offset it.

A safe accounting identity begins with changes in consumer surplus, producer surplus, and government revenue. If consumer surplus already includes tariff-inclusive price losses, tariff revenue is added once, not subtracted a second time as a separate loss. Retaliation, adjustment, and investment effects can be added only if the model's surplus measures do not already encompass them. Likewise, a measured corporate margin loss may be part of producer surplus rather than an independent national loss.

The optimal-tariff argument requires market power over foreign export supply. It is not established merely by the size of the importing economy. Product-specific alternatives and the possibility of retaliation matter. Long-run strategic benefits require a demonstration that capacity or resilience would otherwise be undersupplied and that the policy creates additional socially valuable capacity. This study does not monetize such benefits without evidence.

5.3 Trade diversion and comparative advantage

A switch from Canadian to a third-country supplier can reduce bilateral imports without replacing them with domestic production. That may lessen an individual firm's tariff bill while raising its underlying production cost. Conversely, a firm can discover a genuinely lower-cost supplier during adjustment, partially offsetting the tariff's burden. Observing changed sourcing therefore does not by itself identify whether resource efficiency improved.

An import ban differs from a large tariff. A prohibitive tariff may produce little revenue because imports disappear; an outright exclusion eliminates the covered legal import channel subject to exceptions. The economic loss depends on substitutes and foregone varieties, not on multiplying the old import value by an arbitrarily large tax rate. Scheduled September bans are consequently analyzed separately from the numerical tariff grid.

6. Data and Research Design

The evidence hierarchy is primary legal instruments for policy, official statistical agencies for trade and macroeconomic observations, central-bank publications for externally estimated outlooks, empirical research for incidence mechanisms, Bloomberg for market observations, and institutional news for context. Government statements about motivation or negotiating conduct are attributed, not adopted as neutral factual assessments of the other country's intentions.

Public retrieval was explicitly authorized. The source package preserves HTML/PDF originals, text extractions, response metadata, and timestamps. Federal Register public HTML returned

an automated-access notice; its supported document API and body links supplied readable legal text. CBP's IEEPA FAQ returned HTTP 403. These responses are logged as failures, not substantive evidence. Census's aggregate country page was accessible, while sector API responses required a key.

LSEG coverage is incomplete. The HTTP archive was queried and paginated; the SQL archive was searched over an explicit January 1, 2025–September 11, 2026 window but actually covered July 2–30, 2026. Live searches returned “partial” with zero live headlines and a warning that local results were substituted. A safe retry also failed. SharePoint live and wrapper-local searches returned authentication errors. A read-only query of the existing SharePoint text cache recovered institutional research, including archived Bloomberg discussion of the April metal restructuring and Reuters reporting on automotive sourcing. That cache is partial and not a fresh SharePoint read. A relevant full Reuters story was subsequently recovered from the existing SQL archive: Jones (2026) reported the July 20 Section 338 announcement and its then-scheduled August 19 start. The later primary suspension and September proclamations establish the revised August 22 effective date; the historical report is not used as evidence of September collection status.

No broker or consensus values were substituted from other sources after the required Estimates-Data lookup failed. No secrets were inspected, credentials disclosed, or configuration changed. Internal evidence is used as attributed historical context, not as proof of current tariff schedules.

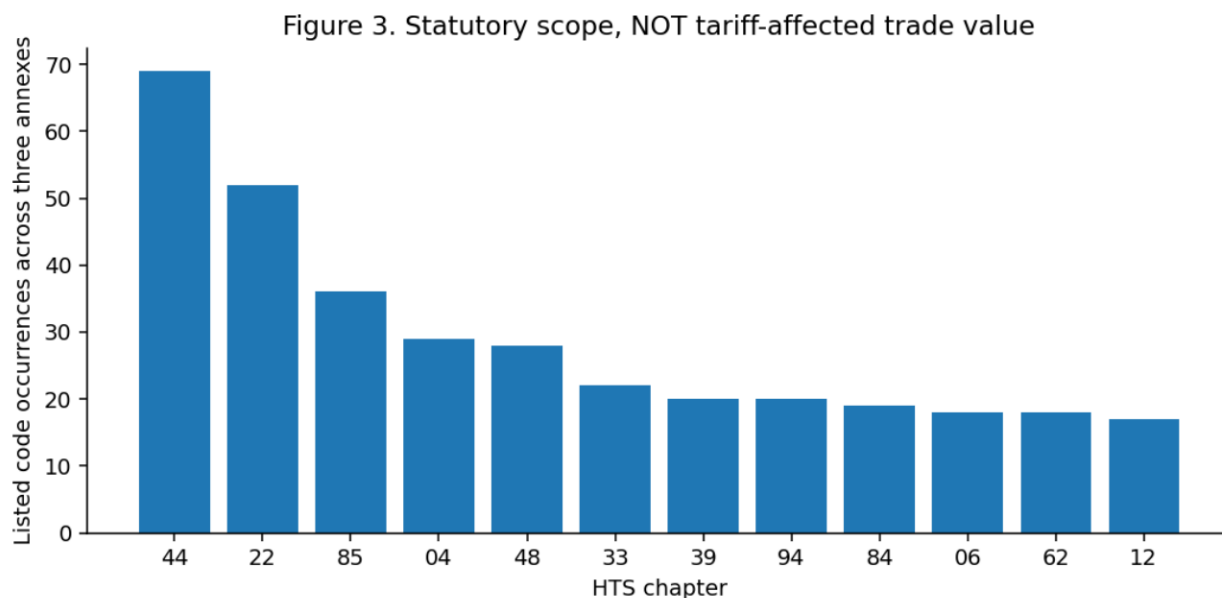
Four labels govern quantitative interpretation: OBSERVED for retrieved statistical or legal facts; EXTERNALLY ESTIMATED for published model results or projections; CALCULATED for arithmetic and benchmark residuals; and SCENARIO ASSUMPTION for illustrative parameters. A projection from an external forecaster remains a projection even if its source is official. Numeric uncertainty ranges in the sensitivity model are not confidence intervals.

7. Current Tariff Exposure

A full current paid-rate estimate would require a transaction-level or tariff-line dataset containing origin, customs value, entry date, claimed preference, content treatment, applicable regime, remission, drawback, and actual duties. None of the aggregate trade series supplies that information. The government-stated C\$27.6 billion coverage cannot be treated as an observed annual customs base without knowing its reference period and exemptions.

An illustrative upper-bound calculation is nevertheless transparent: C\$27.6 billion multiplied by 50% equals C\$13.8 billion. This is a calculated static ceiling for that stated base under a uniform 50% rate, before quantity change, exporter concessions, relief, timing, and replacement of existing duties. It is neither an estimate of Canada's receipts nor an estimate of U.S. receipts. It is not household cost, GDP loss, or welfare loss. Applying Canada's lower schedule rates and remissions would change the result substantially.

The report exports 743 code occurrences across selected U.S. annexes and modifications and 2,775 Canadian schedule rows from the consolidated page. These are parsing outputs, not unique currently taxable products: additions and removals, historical date blocks, overlapping lists, and scope limitations must be resolved before applying them to imports. They are supplied to make subsequent line-level reconciliation reproducible, not to imply completion of it.



Listed scope by HTS chapter, not trade value

The missing sector values prevent numerical ranking by absolute affected trade, percent of industry output, or jobs exposed. The qualitative priorities are integrated vehicles/parts, metals and metal-using manufacturing, wood products, and the newly targeted food and manufactured-product lines. Prioritization reflects mechanisms and statutory coverage, not a claim that every firm in those industries is equally exposed.

8. Consumer Impact and Tariff Incidence

Table 4

Incidence evidence and its permissible interpretation

Evidence	Result	Classification	Appropriate use / limit
Amiti et al. (2019), 2018 trade war	Complete pass-through to domestic imported-goods prices	Externally estimated	Supports substantial domestic-buyer incidence; not a Canada 2026 coefficient
Cavallo et al. (2019), border versus stores	Near-full importer pass-through; mixed retail response and margin compression	Externally estimated	Separates customs payer, importer, retailer and household
Fajgelbaum et al. (2019)	Import-price reductions did not offset duties; revenue/producer gains substantially reduce gross buyer-loss measure	Externally estimated	Demonstrates transfer-versus-welfare distinction
USITC (2023), metals	Import prices and domestic market prices respond differently	Externally estimated	A 50% statutory duty does not imply a 50% economywide steel-price increase

Evidence	Result	Classification	Appropriate use / limit
Current bilateral episode	No matched transaction/retail panel retrieved	Unsupported estimate	No claimed current pass-through coefficient by country or sector
Sensitivity grid	Border pass-through 0.6, 0.8, 1.0	Scenario assumptions	A transparent stress range, not a measured distribution

A simple household calculation requires expenditure weights as well as price changes. If a household spends an annual amount H on a category, the imported share is s , and the final-price response is p , the first-round spending increment is approximately Hsp . This does not capture substitution, income effects, domestic competitors' pricing, or intermediate inputs. It also does not establish who receives a compensating transfer financed by customs revenue.

For example, assuming annual category spending of 1,000 currency units, direct imported content of 20%, a 25% duty, and full retail pass-through on that content produces an illustrative 50-unit increase. All four inputs are assumptions; the example is not a measured U.S. or Canadian household burden. If only half the incremental import cost reaches retail prices, the increase is 25 units. The comparison illustrates the required arithmetic without inventing national household expenditure weights.

Table 5

Household effects: numerical illustrations versus missing national estimates

Quantity	Result	Status and comparator
Illustrative direct category cost, 1,000 spending × 20% import share × 25% duty	50 currency units/year	Calculated from assumptions; unchanged consumption; no-tariff comparator
Same example, 50% retail transmission	25 currency units/year	Calculated assumption sensitivity
Average U.S. annual household tariff burden	Unsupported	No current basket-to-tariff mapping
Average Canadian annual household tariff burden	Unsupported	No current remission-adjusted price mapping
Income-quintile purchasing-power effects	Unsupported numerically	Requires disposable income, expenditure weights and transfers
Regional household burden	Unsupported numerically	Requires regional prices, consumption and employment exposure

Distributional effects need not be uniform. Lower-income households often have less room to substitute or defer essential purchases; however, a statement that this specific package is regressive requires its actual product weights, indirect input effects, and fiscal offsets. Duties on discretionary durable goods can have a different pattern from duties on basic food or energy. A tariff-exposed worker may experience a larger income loss than the average price increase implied by their consumption basket.

Consumers may also pay through reduced choice, longer waiting times, lower product quality, or additional search costs. A spending-based measure can paradoxically fall when an import ban eliminates purchases altogether, even though consumer welfare deteriorates. This is why “money paid in tariffs” cannot exhaust the household question. The scheduled alcohol and dairy exclusions particularly require a product-variety and substitution analysis, not simply a retail-price percentage.

9. Corporate and Industry Impact

9.1 A transparent corporate bridge

A firm-level bridge should begin with actual imported input costs, not the share of revenue earned across the border. Let C be eligible pre-tariff input cost, t the additional effective duty, b the buyer-side fraction of the wedge, and a the fraction recovered from customers. A first-order incremental operating-cost approximation is $Ctb(1-a)$, before volume, product mix, currency, hedging, and supplier changes. Converting that result to EPS further requires the marginal tax rate, diluted shares, and the accounting treatment of inventory.

For an entirely hypothetical firm with revenue of 100, input cost of 60, tariff-exposed share of input cost of 20%, an incremental 25% duty, full border pass-through, and 50% recovery from customers, the unrecovered operating cost is $60 \times 0.20 \times 0.25 \times 1 \times 0.50 = 1.5$. That is 1.5 percentage points of revenue, not automatically 1.5% of EPS. If initial operating profit were 10, the simplified profit reduction would be 15%, before tax and volume changes. No company

in Table 7 is assigned these assumed exposures.

Inventory timing matters. A duty may initially enter inventory valuation rather than immediate cost of goods sold; its earnings effect arrives as goods are sold. Front-loading can temporarily support sales while increasing working-capital needs. Remission can reduce the final cost but still leave financing or administrative costs. A firm with pricing power can protect its margins while shifting the burden downstream, so apparently resilient earnings do not establish that the tariff is economically costless.

Table 6

Industry transmission and exposure priorities, not a numerical ranking

Industry	Main transmission	Potential offset or benefit	Required quantitative evidence
Vehicles and components	Content-based duties, repeated processing, customer-price and production adjustment	Qualifying parts treatment, offsets, remission, local production	Model-level origin/content, production location, taxable entries
Steel/aluminum producers	Protected prices versus export duties and integrated production	Domestic market substitution, approved capacity-linked relief	Plant capacity, realized prices, costs, approved quotas
Metal-using machinery	Higher full-value or input costs, project delays	Excluded lines, sourcing alternatives, remission	Bill of materials, tariff codes, contracts and input-output coefficients
Wood, lumber and furniture	Section 232 plus potentially separate trade-remedy costs	Domestic substitution, alternative markets	Mill-specific deposits, product mix, construction demand
Dairy and food ingredients	New countermeasures and scheduled selected bans	Third-country sourcing, re-export exceptions	Product-level volumes, perishability, access commitments
Alcoholic beverages	Customs duties plus provincial restrictions and scheduled U.S. bans	Domestic brands and third-country suppliers	Province, packaging, brand origin, inventory and distribution data
Retail/distribution	Margin absorption and consumer substitution	Supplier renegotiation, private-label switching	SKU prices, import costs, margins and inventory vintage
Transportation	Lower or redirected freight volumes	Alternative routes and trade diversion	Commodity-specific loadings, border volumes and yield per shipment
Energy	Trade policy interacting with world prices and infrastructure	Alternative demand, contractual pass-through	Exact product treatment, pipelines, refinery grades and prices

9.2 Company screen: identities confirmed, net tariff exposure unmeasured

Bloomberg's reference response verified the following security identities and broad industries.

It did not supply country-specific imported-input shares, tariff cost bridges, guidance changes,

or geographic margins. Therefore, the table is a research candidate screen, not a ranking of established negative exposure or expected returns. Assigning “high negative” categories without those inputs would overstate the available evidence.

Table 7

Listed-company candidates for exposure investigation

Company / Bloomberg security	Verified industry	Conditional channel to investigate	Current net exposure conclusion
Ford / F US Equity	Automobiles	Assembly location, Canadian sales, content treatment and offsets	Unmeasured; potentially mixed
General Motors / GM US Equity	Automobiles	Cross-border platforms, parts, production and pricing	Unmeasured; potentially mixed
Magna / MGA US Equity	Automobile Components	Customer production volumes and input/parts treatment	Unmeasured
BRP / DOO CN Equity	Leisure Products	Exact product classification and production origin	Do not equate leisure products with the motorcycle ban
West Fraser / WFG US Equity	Paper & Forest Products	Mill location, lumber duties and housing demand	Unmeasured; region/product dependent
Alcoa / AA US Equity	Metals & Mining	Smelting location, tariff treatment and realized premiums	Protection and cross-border cost channels can coexist
Nucor / NUE US Equity	Metals & Mining	Domestic price support versus downstream demand	Potential protection channel, not established net benefit
Molson Coors / TAP US Equity	Beverages	Brand-production origin, packaging and provincial distribution	Unmeasured; company domicile is insufficient
Canadian National / CNR CN Equity	Ground Transportation	Commodity and route-specific freight changes	Indirect exposure unmeasured
Enbridge / ENB CN Equity	Oil, Gas & Consumable Fuels	Contract structure and cross-border throughput	Indirect exposure unmeasured
Saputo / SAP CN Equity	Food Products	Dairy product codes and production geography	Unmeasured; not all dairy lines are treated alike

Source: Bloomberg Desktop API via BluAPI, retrieved September 11, 2026, 21:14:43 UTC; requested NAME, GICS_INDUSTY_NAME, CRNCY, with NAME returned as SECURITY_NAME. No material field exceptions were reported. The required SharePoint Estimates-Data lookup failed; no consensus EPS, broker forecasts, or earnings-revision numbers are asserted. No investment recommendation is made.

10. Employment and Wage Effects

Employment responds through both demand and adjustment. A protected producer may expand shifts if import competition weakens, but a downstream plant may reduce hours if inputs become more expensive. An exporter may lose market access even if its domestic sales are unaffected. Net national employment depends on reallocation, labor-force participation, wages, monetary policy and aggregate demand, not just the sum of jobs at affected plants.

The historical manufacturing evidence from Flaaen and Pierce (2019) supports attention to these offsetting channels. It does not justify mechanically multiplying a tariff percentage by employment. The same output change can be accommodated by productivity, inventories, overtime, temporary layoffs, or permanent job losses. Wage bargaining and regional mobility further change the timing and distribution.

The Bank of Canada's September 2 statement reports Canadian unemployment of 6.4% in July and describes subdued labor demand despite recent improvement. That is an observed macroeconomic condition summarized by the central bank, not a tariff-attributable unemployment rate. It also predates September countermeasures. A causal estimate would need industry and regional employment panels, exposure constructed before the shock, and controls for energy, housing, immigration and other contemporaneous changes (Bank of Canada, 2026d).

The most actionable qualitative distinction is between workers tied to specialized, geographically fixed capacity and workers in more flexible service activities. Adjustment can be especially costly when a community depends on one plant and skills or housing constraints impede mobility. Regional burden rankings cannot be quantified from the retrieved evidence. The paper does not invent provincial job counts or identify communities as having suffered measured tariff layoffs without a verified source.

11. Inflation Effects

A tariff creates a relative-price shock. If prices rise once and remain at the higher level, measured year-over-year inflation rises temporarily and subsequently falls as the comparison base catches up. Repeated tariff increases, delayed pass-through, wage responses, or unanchored expectations can extend the inflation effect, but a permanent tariff does not mathematically imply permanently higher inflation growth.

The Bank of Canada's September statement says headline inflation had hovered around 3%, mainly because of gasoline; inflation excluding gasoline was 2.2% in July and core measures were close to 2%. It explicitly identifies both energy-price risks and new tariff cost pressures. Attributing that headline inflation entirely to the bilateral dispute would contradict the source's decomposition. Oil-price developments also affect Canada as an exporter and households as energy consumers, so the aggregate effect is not captured by a simple import-cost narrative (Bank of Canada, 2026d).

For an input tariff, the consumer-price effect depends on sector input shares, domestic cost shares, import substitution, and retail transmission. An input-output price model can estimate the first-round propagation if its technical coefficients are appropriate, but it typically assumes fixed production techniques and needs careful treatment of imported intermediates. Adding the same tariff cost to each subsequent production stage would double-count it. This study lacks a harmonized U.S.–Canada input-output system matched to the current customs schedules and therefore does not produce a CPI or PCE basis-point estimate.

A de-escalation need not reverse retail prices one-for-one. Contracts, price-setting asymmetry, inventories purchased under the old tariff, and exchange rates can delay or damp the reversal. That is a reason to monitor import prices and margins alongside CPI rather than to assume a precise disinflation dividend.

12. GDP and Macroeconomic Effects

Table 8

Macroeconomic evidence: observed conditions versus external projections

Variable	Value / finding	Classification and vintage	Interpretation
Canadian Q2 2026 GDP growth	3.3%, as reported in Sept. 2 statement	Observed release summarized by BoC; annualization not explicit in retrieved statement	Recovery, not 3.3% annual GDP gain attributable to trade policy
Canadian unemployment, July	6.4%	Observed, BoC Sept. 2	Not tariff-specific
Canadian policy rate	2.25%	Observed decision, Sept. 2	Actual decision, not a reaction-function estimate
Canadian annual real GDP growth	0.7% in 2026; 1.8% in 2027	External July projection	Predates later trade escalation; not this paper's forecast
Canadian annual CPI inflation	2.5% in 2026; 2.0% in 2027	External July projection	Entire economic outlook, not tariff contribution
U.S. annual real GDP growth	2.4% in 2026 and 2027	BoC external July projection	Not a bilateral tariff-impact estimate
July assumed average U.S. duty on Canada / reverse	5.0% / 1.5%	External estimate based on July 10 policy state	Historical assumption, not September effective rate
Current bilateral real-GDP level loss	Unsupported for either country	No identified current counterfactual	Not obtained by subtracting different forecast vintages
Nominal GDP, productivity, wages and national net jobs attributable to tariffs	Unsupported	Required structural/causal inputs absent	Qualitative mechanisms only

Sources: Bank of Canada (2026a–2026d). Annual-average growth, quarterly growth, and level effects are not interchangeable. The September statement's reported 3.3% is preserved as reported rather than independently reconstructed from Statistics Canada quarterly tables.

A tariff can reduce consumption through purchasing power, investment through costs and uncertainty, and exports through retaliation. It can increase protected production and customs revenue. The net GDP effect depends on domestic value added, not the face value of imports. Lower imports enter GDP accounting with a positive sign only because imports are subtracted from expenditure totals to avoid counting foreign production; this accounting convention does not imply that reducing imports automatically creates domestic output.

The investment channel can outlast tariff removal. Firms facing uncertain market access may delay projects with large sunk costs. Once a plant closes or a supply relationship is replaced, restoring the previous tariff rate may not immediately restore productive capacity. Conversely, a credible exemption or settlement can unlock postponed investment before trade quantities

visibly recover. No numerical uncertainty multiplier is assumed here.

The Federal Reserve and Bank of Canada face potentially conflicting effects: higher input prices and weaker real activity. Their reaction depends on inflation expectations, slack, the persistence of shocks, and the rest of the economy. The verified Canadian decision was to hold rates, while acknowledging increased upside inflation risks and more uncertain growth prospects. It would be inappropriate to turn that one decision into a fixed interest-rate response to each percentage point of tariffs. A U.S. policy-rate forecast and precise bilateral bond-yield forecast are unsupported.

13. Financial-Market Effects

13.1 Observed market levels

The market-data sample uses completed September 10 observations to avoid conflating intraday September 11 readings with closes. Bloomberg's CAD currency security is quoted as Canadian dollars per U.S. dollar. Inverting 1.3833 produces approximately US\$0.7229 per Canadian dollar. The inverse is a calculation, not a separately retrieved quote.

Security	Field	Sept. 10 observation	Unit
SPX Index	PX_LAST	7,591.70	Index points
SPTSX Index	PX_LAST	35,506.28	Index points
CAD Currency	PX_LAST	1.3833	CAD per USD
USGG10YR Index	PX_LAST	4.9626	Percent yield
GCAN10YR Index	PX_LAST	3.9500	Percent yield
VIX Index	PX_LAST	17.84	Volatility-index points
CL1 Comdty	PX_LAST	102.48	USD/barrel, generic front crude contract

Source: Bloomberg Desktop API via BluAPI, retrieved September 11, 2026, 21:10:30 UTC.

Historical responses were nonempty with no reported material errors. Generic futures include contract-roll effects and are not a fixed-maturity investable return series. These levels describe markets, not tariff causation. Credit-spread and sector-index observations were not obtained;

no values are imputed.

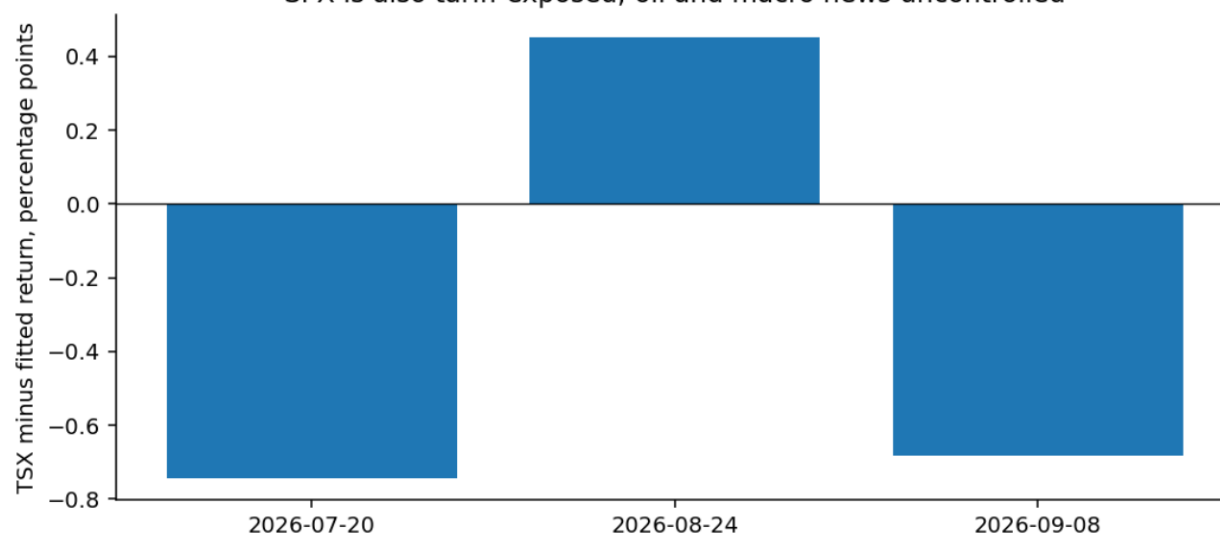
13.2 Event-study method and limits

The reproducible program calculates close-to-close changes around selected dates and fits a TSX market model using SPX log returns. For each 2026 event, it uses 120 prior common return observations ending before a 20-observation buffer. The fitted relationship is $\text{TSX return} = \alpha + \beta \times \text{SPX return}$. The event-day difference between actual and fitted return is a benchmark residual. It is not an estimate of the tariff's causal effect, because the benchmark is also tariff-exposed and because oil and other news are not controlled.

Calculated TSX residuals were approximately -0.74 percentage points on July 20, $+0.45$ on August 24, and -0.68 on September 8. The positive August residual is another inconvenient observation for a one-direction market narrative. It could reflect prior anticipation, other news, relative sector composition, or a host of confounders. There is no basis to label it a measured economic benefit from tariff implementation.

An effective date is often anticipated. The August 22 implementation fell on a weekend, so August 24 is used as the next common trading session. September 8 followed a market holiday and combined Canadian implementation with U.S. announcements. Daily observations cannot establish the precise announcement-to-price ordering. The model deliberately reports no causal t-statistic or probability of a political outcome.

Figure 6. Benchmark residuals; not a Monte Carlo distribution
SPX is also tariff-exposed; oil and macro news uncontrolled



Descriptive market benchmark residuals

The CAD can respond to trade prospects, relative interest rates, risk appetite, and commodity prices. A Canadian export shock may weaken it, but higher oil prices or broad U.S.-dollar weakness can offset that channel. Bond yields can rise because of inflation concerns or fall because of growth concerns; the sign is not predetermined. Broad stock indices also contain companies with global revenues and sector compositions that differ markedly from domestic GDP. No point forecast for CAD, equities, credit or commodities is justified by the available identification.

14. Canadian Retaliation and Counter-Tariffs

Retaliation changes the incidence question in both directions. U.S. duties tax importation into the United States; Canadian counter-tariffs tax importation into Canada. The original foreign government does not directly pay the other country's customs authority. Exporters can nevertheless bear costs through price concessions and lower sales, and domestic consumers or manufacturers can bear costs when their own government retaliates.

Canada's September order uses origin for marking purposes and applies even when U.S.-origin goods arrive through another country. Changing the shipping route is therefore not, by itself, an exemption. The customs notice also states that the new surtax and the steel-derivative surtax

are not cumulative. Adding both to a model would overstate the statutory burden (CBSA, 2026a).

Remission changes the analysis substantially. The amended order extends relief to qualifying uses under the new 2026 surtax, including manufacturing, processing, agriculture, and food or beverage packaging subject to conditions. It separately specifies time limits for particular aluminum and steel schedules; the corresponding customs notice was updated September 11. A blanket assumption that every tariffed intermediate pays the posted rate is consequently unjustified. At the same time, eligibility is not identical to actual utilization: firms need documentation, and financing or administrative delays can remain even if a duty is ultimately remitted (Government of Canada, 2026; CBSA, 2026b).

Countermeasures can benefit Canadian producers competing with U.S. imports and suppliers in third countries. But a benefit to one producer need not offset a loss to downstream users or exporters nationally. The appropriate comparison is the net resource and income effect, after transfers and substitution, not whether any protected firm reports higher sales. The report neither endorses nor ranks the governmental choice to retaliate.

15. Supply-Chain Effects

The core transmission sequence is: input duty → delivered-cost change → supplier or importer margin response → downstream price change → demand adjustment → production and labor adjustment → investment response. Each arrow has an elasticity, time lag, or contractual constraint. A model that assumes all stages adjust instantly can materially misstate the first year's effects.

In integrated vehicles, machinery and metals, intermediate processing may cross the border several times. Gross trade statistics record transactions, whereas the relevant production input-output model should separate domestic value added from imported content. Neither the number of border crossings nor the full value of the final product establishes how many times

the same input is effectively taxed after exemptions, drawback and content provisions. Counting a full tariff at every crossing without legal reconciliation would be a serious overstatement.

The operative tariff base can also change. The April 2026 U.S. metal restructuring generally applied listed duties to full customs value rather than merely metal content, with lower-rate and content-based exceptions for specified products. An archived Bloomberg report in the SharePoint cache described the restructuring and companies' concerns about derivative coverage. The primary April and June instruments substantiate the legal change, while the archived report supplies contextual evidence of business adjustment rather than a current paid-rate estimate (Dlouhy et al., 2026; U.S. President, 2026c, 2026d).

Short-run substitution can be technically constrained. Certification, tooling, transport capacity and quality requirements make an input supplier difficult to replace. Longer-run substitution may be easier, but can involve capital expenditure and lower scale economies. A partial equilibrium import-demand elasticity should not be mistaken for the technical ability to substitute every critical component. This motivates separate sensitivity analysis and a clear refusal to translate trade reductions automatically into production losses.

16. Conditional Scenario Modeling

16.1 Scope and comparator

The scenario horizon is 12 months from the policy cutoff. Each scenario describes a conditional change to the verified policy state, including a separate distinction between measures already effective and those announced for later dates. “Persistence” is ambiguous unless that distinction is explicit: keeping September 11 applied measures unchanged differs from allowing already-announced September measures to take effect. The table therefore separates these paths.

None of the scenarios has a political probability, a policy score, or an expected-value weight. They are not collectively exhaustive states of the world, and some can overlap; for example, exemption relief can coexist with sectoral escalation. Economic signs are conditional on the stated change, with other shocks held constant. National magnitudes remain unsupported where a calibrated macro model is absent.

Table 9

Core conditional scenario matrix

Scenario / observable trigger	U.S. policy and Canadian response	Trade and consumer mechanism	GDP / inflation / jobs	Corporate earnings and markets	Horizon / evidentiary confidence
A. Broad de-escalation: operative repeal/settlement	Major dispute duties removed bilaterally; scheduled bans withdrawn	Lower delivered costs; export access restored; retail reversal may lag	Directionally less distortion; no national numeric estimate	Import users gain cost relief; protected margins may narrow; FX ambiguous	12 months; mechanism supported, magnitude uncalibrated
B. Partial negotiated relief: signed line-specific exemptions	Selected duties remain, others reduced; reciprocal relief specified	Benefits depend on taxable trade relieved, not headline number of exclusions	Sector gains; national GDP/CPI/jobs unsupported	Firm-specific exposure improves where approved	12 months; conditional and implementation-dependent
C1. Applied-policy freeze: later actions formally suspended	Sept. 11 applied rates remain; Sept. 15/29 measures do not enter force	Existing wedges persist; no new ban effect	Level effects can persist without permanently higher inflation	Ongoing margin/volume adaptation	12 months; a comparison case, not a forecast
C2. Announced-policy implementation: no intervening change	Sept. 15 scope/stacking and Sept. 29 selected bans take effect; Canadian Sept. 8 package continues	New cost changes and restricted varieties on exact listed lines	Additional sector shocks; national magnitudes unsupported	Product-specific exposure rises or falls with additions/removals	Dates established; subsequent policy and net effects uncertain
D. Moderate escalation: new listed products or rate increments	Additional selected duties and countermeasures	Higher input/retail costs, diversion	Conditional price-level pressure and activity displacement	Unrecovered costs and export volume risk	12 months; no assumed rate until specified
E. Broad severe escalation: major exemption withdrawal and broad retaliation	Broad taxable share expands substantially	Larger volume response, relocation and variety losses	Potential larger real-income disruption; no credible GDP interval	More extensive earnings and credit risks; market direction not quantified	12–24 months; stress case, not probability claim
F. Sector-specific escalation: new metal, wood, dairy or alcohol instruments	Restrictions concentrate in selected industries	Bottlenecks and local employment effects	National averages may conceal concentrated losses	Domestic protection and input costs coexist	6–24 months; depends on exact annexes
G. USMCA/remission resolution: enforceable preference or approved relief	Broader documented duty-free treatment or remission	Effective paid rate falls without all headline rates changing	Lower marginal costs; fiscal receipts decline	Relief for qualifying firms; compliance costs remain	6–12 months; utilization unknown

Common unsupported fields: numeric U.S./Canadian GDP, inflation, household cost, net employment, EPS and CAD forecasts. Political probabilities are deliberately not assigned. The omission is substantive, not a formatting substitute for guessed values.

Table 10

If this happens, then this economic mechanism follows

Observable event	Immediate effect	Second-order effect	U.S. / Canadian distribution	Consumers and markets	Magnitude
Sept. 15 scope changes enter force	New/removed tariff lines and specified stacking	Sourcing, contracts and margins adjust	U.S. import users and affected Canadian exporters; some removed lines receive relief	Prices and expectations depend on exact product mix	Statutory 50% increment where applicable; aggregate unsupported
Sept. 29 alcohol/dairy exclusions enter force	Covered legal import channel closes	Substitution, inventory drawdown, lost varieties	Canadian sellers lose access; U.S./third-country competitors may gain	Spending can fall even while welfare worsens	No ban-equivalent tariff assigned
Motorcycle annex exclusion enters force	HTS 8711.50.00 imports restricted	Model substitution and distribution adjustment	Specific products, not all Canadian vehicles	No blanket auto-price forecast	Product volume base missing
Eligible Canadian manufacturing input receives remission	Duty payable is reduced/refunded	Less margin compression and cost transmission	Canadian users benefit; government receipts lower	Less downstream pressure, conditional on competition	Depends on eligible value and utilization
Canadian countermeasures broaden beyond current lists	U.S. export price competitiveness weakens	Diversion and producer adjustment	U.S. exporters and Canadian buyers may bear costs	Basket and margin effects; CAD ambiguous	No unsupported rate or coverage assumed
Effective USMCA exemption share increases	Fewer qualifying entries pay Section 301	Supplier documentation and sourcing adapt	Both-country compliant supply chains benefit	Lower delivered costs on newly exempted transactions	One percentage point of eligible trade needs a verified value denominator
Input substitution is faster than assumed	Taxed quantities decline more	Revenue may fall; adjustment costs and alternatives matter	Lower tax payments, not necessarily lower total welfare loss	Product choice may change	Grid demonstrates sensitivity, not estimated speed
Oil prices rise independently	Energy costs and producer receipts rise	Inflation, FX and consumption effects	Canadian energy producers versus consumers; U.S. users	Confounds tariff event returns	No tariff attribution

16.2 Reproducible conditional arithmetic

The numerical model normalizes annual pre-tariff imports to one billion units of the same currency and sets the pre-tariff unit price to one. Let t be the hypothetical duty rate, b the border-price pass-through coefficient, and ϵ the positive magnitude of import-demand

elasticity. The formulas are:

- Buyer price: $P = 1 + bt$.
- Quantity ratio: $Q/Q_0 = P^{(-\epsilon)}$.
- Foreign pre-duty price: $P^* = P/(1+t)$.
- Revenue per unit of baseline annual import value: $R = tP^*Q$.
- Buyer payment increment on surviving units: $B = (P-1)Q$.
- Exporter price concession on surviving units: $X = (1-P^*)Q$.

The accounting identity $R = B + X$ holds for this construction. It is important that B is evaluated only on surviving imports. It omits surplus lost on foregone consumption and is not total household welfare. The code separately integrates the assumed import-demand curve to report an import-demand surplus measure, but does not equate that partial-equilibrium object with national welfare.

For $t = 0.25$, $b = 1$, and $\epsilon = 2$, $P = 1.25$ and $Q = 1.25^{(-2)} = 0.64$. Quantity is 36% lower and $R = 0.25 \times 1 \times 0.64 = 0.16$ billion, or 160 million per billion of annual baseline imports. Under $b = 0.8$, buyer price is 1.20, foreign price is 0.96, quantity is about 0.6944, and revenue about 166.7 million. Buyer and exporter contributions on surviving units are approximately 138.9 million and 27.8 million. These numbers are conditional calculations, not estimates of actual incidence or trade.

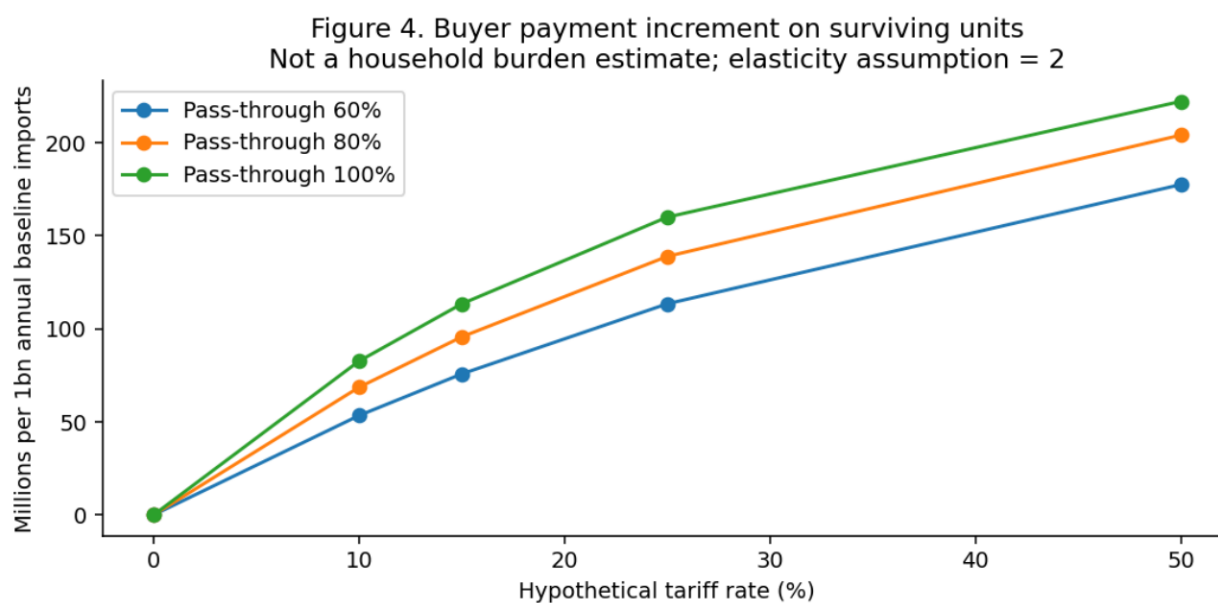
Table 12

Sensitivity analysis: selected cases per one billion annual baseline imports

Assumed duty	Assumed border pass-through	Assumed elasticity magnitude	Buyer price change	Quantity change	Annual duty revenue, millions	Interpretation
0%	100%	2	0%	0%	0	No-new-duty comparison
15%	100%	2	15%	-24.4%	113.4	Conditional

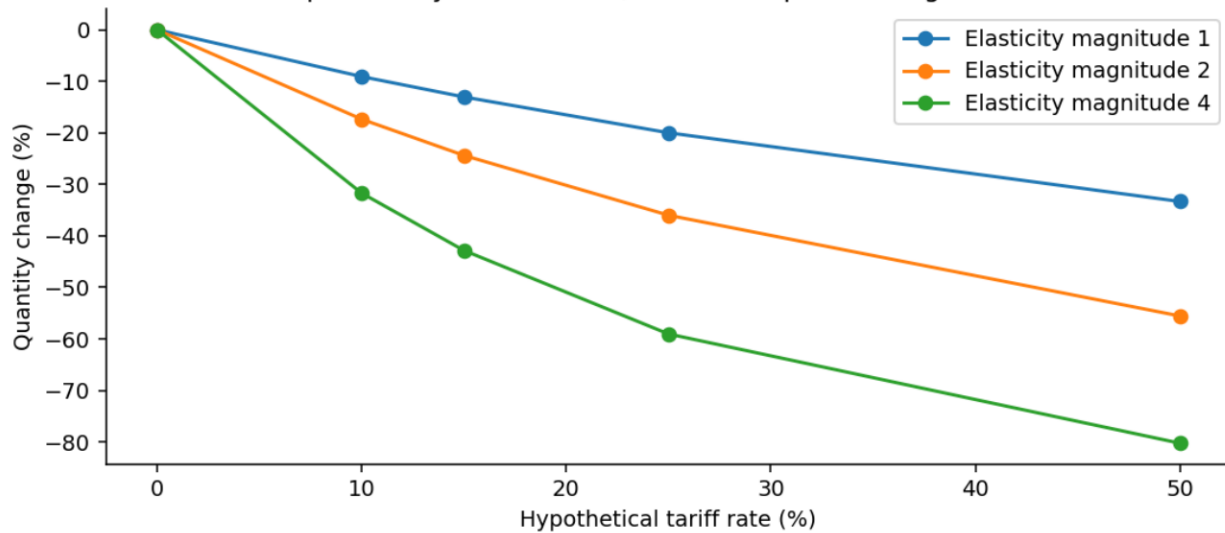
Assumed duty	Assumed border pass-through	Assumed elasticity magnitude	Buyer price change	Quantity change	Annual duty revenue, millions	Interpretation
25%	100%	1	25%	-20.0%	200.0	Lower quantity sensitivity
25%	100%	2	25%	-36.0%	160.0	Illustrative middle elasticity, not calibrated baseline
25%	100%	4	25%	-59.0%	102.4	Higher quantity sensitivity
25%	80%	2	20%	-30.6%	166.7	Exporter concession allowed by construction
50%	100%	2	50%	-55.6%	222.2	High-rate stress calculation

The full CSV varies duty rates of 0%, 10%, 15%, 25%, and 50%; pass-through of 60%, 80%, and 100%; elasticities of one, two, and four; and durations of six, twelve, and twenty-four months. Elasticities are deliberately illustrative assumptions, not sector estimates attributed to a study. Duration scales the annualized steady-state flows linearly and does not model transition dynamics. A six-month result is not a forecast that adjustment occurs instantly. The wide elasticity span demonstrates how sensitive conclusions are to missing calibration rather than supplying a confidence interval.



Conditional buyer payment increments

Figure 5. Conditional quantity comparisons
Not probability distributions; full border pass-through assumed



Conditional quantity sensitivity

16.3 Why no Monte Carlo distribution is reported

A random-number generator would not remedy the missing parameters. A defensible simulation would need sourced marginal distributions and dependence for policy duration, pass-through, sector elasticities, exchange rates, exemptions, substitution, and macroeconomic responses. Sampling arbitrary uniform or triangular distributions would make percentiles appear empirical when they are only artifacts of chosen shapes. This paper instead reports a deterministic sensitivity grid with every assumption visible. Figure 5 replaces the requested scenario distribution with a conditional comparison; Figure 6 supplies descriptive market residuals, not fabricated Monte Carlo percentiles.

17. Unweighted Outcomes Instead of a Political-Probability Forecast

Table 11

Why probability-weighted expected outcomes are not calculated

Requested expected outcome	Available evidence	Result supplied
U.S./Canadian GDP	Historical studies and external July macro projections, not current bilateral counterfactuals	Conditional mechanisms; no weighted estimate
Inflation and purchasing power	Cost transmission evidence; current tariff-to-basket mapping missing	Household illustration and explicit gaps

Requested expected outcome	Available evidence	Result supplied
Bilateral trade	Observed goods series; uncalibrated future elasticities	Descriptive changes and unit-base sensitivity
Employment and earnings	Historical mechanisms; current firm/labor exposure inputs absent	Qualitative distributional analysis
Tariff revenue	Statutory rates, stated coverage, no net paid customs base	Conditional revenue grid; not collections forecast
Political pathway	No policy probabilities assigned under project constraints	Observable triggers and unweighted comparisons

Expected-value arithmetic is useful when mutually exclusive states and defensible weights exist. Here, assigning probabilities would contradict the project's neutrality constraint and would not be supported by identified market probabilities. Options prices or exchange-rate volatility cannot be directly converted into probabilities of a particular tariff negotiation outcome without a structural identification model. The study therefore does not calculate a central political-path estimate, and the midpoint of a sensitivity range is not described as expected.

18. Who Bears Costs and Who Can Benefit?

18.1 Distribution of burdens

Importers face the immediate legal accounting obligation. Firms unable to pass costs onward can bear lower margins and working-capital pressure. Exporters can bear concessions and lost sales. Households can face higher prices, reduced choice, and labor-income effects.

Governments receive customs revenue but may incur administration costs and support expenditures. The sequence and magnitude vary by product and contract.

Small firms can have fewer sourcing alternatives and less capacity to manage origin documentation, while large firms may have diversified production and stronger bargaining power. That does not imply every small firm loses or every multinational avoids the burden. A small domestic competitor may benefit from protection, while a large integrated exporter can suffer substantial disruption. No numerical ranking of affected groups is supportable without harmonized income, sales, costs and exposure data.

Agricultural producers and food businesses face product-specific access, perishability and inventory constraints. Manufacturing workers can be affected by both their employer's protected output and tariffed inputs. Retailers may absorb costs before passing them on. Transportation firms face commodity and route changes rather than a uniform tariff cost. Energy producers can benefit from unrelated commodity-price increases even when trade restrictions are adverse; those gains should not be credited to the tariff without evidence.

18.2 Potential beneficiaries and national accounting

Protected domestic producers may enjoy higher realized prices or demand. Suppliers in untariffed countries can gain orders through diversion. Firms receiving valid exemptions or remissions can gain relative to otherwise similar firms without relief. Governments receive revenue on surviving dutiable imports. These channels are economically meaningful and should be reported alongside losses.

The historical USITC evidence provides a concrete illustration of producer expansion and downstream contraction occurring together. However, production-value gains and losses are not welfare components on a common basis. Summing US\$1.5 billion of steel output gains, US\$1.3 billion of aluminum gains, and US\$3.4 billion of downstream output losses does not produce a valid national welfare total. Domestic value added, prices, input overlap, consumer surplus and fiscal transfers must be reconciled first.

The strongest supported distributional conclusion is that statutory origin is a poor guide to economic incidence. A U.S. tax on Canadian goods can impose costs on U.S. buyers, and Canadian retaliation can impose costs on Canadian users. At the same time, exporters on either side can lose sales or concede prices. The largest current dollar cost among households, importers, exporters, producers and workers remains unmeasured.

19. Indicators to Monitor

The monitoring framework tracks observable economic conditions and legal changes, not political probabilities. A directional signal identifies which conditional mechanism is becoming relevant; it does not estimate the likelihood of a policy actor choosing a particular path.

Indicator	Latest verified value/state	Signal to monitor	Conditional implication
U.S. scope modifications	Announced for Sept. 15	Operative amendments, suspension, exact annex changes	Distinguishes C1 freeze from C2 implementation
U.S. selected import bans	Announced for Sept. 29	Entry guidance, packaging definitions, suspension	Product access and variety loss
Canadian surtax	Effective Sept. 8 at listed rates	Updated schedules and actual assessments	Current marginal cost exposure
Remission utilization	Eligibility documented; utilization unavailable	Approved values, refunds and processing delay	Net paid burden versus headline duty
Bilateral goods flows	Jan.–July 2026 US\$439.141bn	Same-period real quantities and tariff-line values	Diversion, contraction or front-loading
Customs collections	Bilateral current net receipts unavailable	Duties paid minus refunds by regime	Fiscal transfer and compliance evidence
Import prices and producer prices	Tariff-specific panel unavailable	Duty-exclusive versus inclusive changes	Exporter concession and buyer pass-through
Canadian inflation	July ex-gasoline 2.2%, BoC summary	Broadening beyond energy	Distinguishes tariff/input propagation from oil
Employment and hours	July unemployment 6.4%, BoC summary	Exposed industries relative to controls	Labor adjustment, not automatic causation
Canadian policy rate	2.25%, Sept. 2	New decisions and explanations	Actual policy response rather than assumed rule
CAD per USD	1.3833, Sept. 10	Joint changes with oil and yield differentials	Translation and competitiveness channels
Ten-year yields	U.S. 4.9626%; Canada 3.95%, Sept. 10	Inflation compensation versus real yields	Competing growth/inflation effects
Corporate guidance/revisions	No verified current estimate dataset	Tariff-specific cost bridges and estimate provenance	Firm-level calibration
Freight, inventories, PMIs and capex	Current comparable levels not retrieved	Production/sourcing changes versus controls	Second-order effects and timing

20. Discussion and Attempts to Disprove the Main Interpretation

The first challenge is substitution. If consumers and manufacturers can switch suppliers quickly at little resource cost, the burden can be smaller than a fixed-input model suggests. But revenue can also fall sharply, and a large decline in bilateral imports need not mean a

comparable decline in total consumption or domestic output. The sensitivity model makes quantity adjustment explicit rather than treating the pre-tariff base as fixed.

The second challenge is exporter absorption. Historical U.S. border evidence often found little offsetting foreign-price adjustment, but Cavallo et al. (2019) found concessions by U.S. exporters facing retaliation. Canadian exporters with specialized dependence on U.S. buyers could behave differently from the average exporter in those earlier samples. The report consequently allows partial pass-through in illustrations but does not assign it as a measured current fact.

Third, exchange-rate movements can change local-currency costs. A depreciation could offset some export-price pressure in the buyer's currency while making other imports more expensive for domestic consumers. Contracts invoiced in U.S. dollars and hedging can delay the response. A change in CAD/USD cannot simply be subtracted from the statutory tariff percentage: the duty base, invoice price, pass-through, and exchange-rate convention must be specified.

Fourth, remissions and exemptions may substantially reduce the effective burden. The September Canadian amendments are concrete evidence against a naïve full-collection assumption. A firm eligible for relief may have a much smaller net duty than the schedule rate implies. Conversely, compliance costs and uncertainty can remain. Those are real potential effects, but no invented administrative-cost percentage is added.

Fifth, protected supply may expand. USITC's historical findings show that producer gains are not merely theoretical. Whether they outweigh costs nationally requires a unified welfare framework and a longer horizon for investment and productivity. Protection can also generate scarcity rents without equivalent value-added gains if capacity is constrained. The study does not assume either result in advance.

Finally, the observed macro and market evidence does not fit a simple deterministic deterioration story. Nominal bilateral trade recovered in the available 2026 months; Canadian output rebounded in the second quarter; one selected TSX benchmark residual was positive. These observations weaken claims of universal contemporaneous collapse. They do not establish a zero tariff cost because the counterfactual remains unobserved and the latest escalation postdates much of the data.

21. Limitations and Research Integrity

The largest limitation is the absence of a fully reconciled customs-line, content, remission and trade-value dataset. The policy work is substantially updated through September, but it is not a complete all-products effective-duty calculator. UAS, polysilicon, quartz, certain Canadian all-origin measures, individual trade-remedy orders, province-level alcohol measures, and administrative relief determinations require additional reconciliation. The paper explicitly avoids claiming an exact comprehensive weighted tariff rate.

The second limitation is causal identification. Descriptive trade changes and asset-price moves cannot distinguish tariffs from energy, domestic demand, fiscal changes, monetary policy, inventory timing and other geopolitical events. The market model controls only for a broad equity benchmark, itself treated by the trade shock. Its residuals are useful descriptive diagnostics, not causal estimates.

The third limitation is calibration. Sectoral import-demand elasticities, household expenditure mappings, multinational input shares, and contemporary input-output coefficients were not assembled. The sensitivity grid is reproducible but not a calibrated national model. It provides conditional arithmetic and exposes the data requirements; it cannot deliver a defensible GDP, CPI, jobs or EPS confidence interval.

Institutional source coverage is incomplete. HTTP news retrieval succeeded but was thin; live LSEG failed twice and supplied archive fallback. SQL coverage was stale. SharePoint wrapper

access failed, although cached institutional text was available. Cached text can be truncated and cannot substitute for a current original document. Broker estimates were unavailable from the required source and were not replaced with estimates from a prohibited fallback.

Qualitative research-integrity assessment

Dimension	Assessment	Reason
Data quality	Strong for retrieved official aggregate observations; incomplete for granular exposure	Authentic government/Bloomberg sources, but missing customs and household panels
Current-policy certainty	Strong for the specifically cited central instruments; incomplete overall	Dates, annexes and supersession checked; smaller regimes and individual relief unresolved
Tariff incidence	Historically grounded; current estimate unsupported	Empirical literature retrieved, no current matched-price estimation
Macroeconomic modeling	Insufficient for a bilateral causal forecast	External outlooks are clearly separated from tariff effects
Scenario construction	Transparent and conditional	Observable triggers; applied versus announced distinction; no political ranking
Political probability estimation	Intentionally not performed	Neutrality constraint; no arbitrary weights
Statistical robustness	Limited	Descriptive benchmark controls insufficient for causal inference; no false significance claims
Reproducibility	Strong for supplied calculations and retrieved snapshots	Offline scripts, raw data, formulas, tables and source hashes preserved

Strongest conclusion supported by the evidence: The current dispute involves materially different, product-specific legal regimes and relief provisions, so neither a single headline tariff nor imports multiplied by that tariff measures the national economic cost.

Strongest conclusion not supported by the evidence: A precise current bilateral GDP loss, average household bill, net employment effect, or probability-weighted 12-month forecast.

22. Conclusion: What Happens From Here?

Dated implementation path, conditional on no intervening amendment

The next verified policy dates are September 15 and September 29. If the announced scope changes and selected import exclusions take effect as written, the mechanism is changed product coverage and stacking → different delivered costs or lost legal access → substitution, margin and production adjustments → potentially concentrated effects on firms, workers and

consumers. Aggregate market outcomes remain contingent on other news. This is an implementation condition, not a probability judgment.

De-escalation alternative

If legally operative removals or exemptions replace those measures, the mechanism is lower trade frictions → improved access and lower input costs → possible recovery of trade and deferred investment. Protected domestic producers may lose some price support. The magnitude and timing depend on contracts, inventories, capacity and whether firms have already relocated supply chains. No net national benefit number is invented.

Escalation alternative

If coverage broadens, exemptions shrink or new bans are added, the mechanism is greater input and export-market disruption → more substitution and potential adjustment costs → pressure on real income and concentrated employment. An important distinction is whether the restriction affects a substitutable final good or a bottleneck intermediate. A national aggregate may understate local disruption even when the total effect is relatively modest.

Conditional central findings, not an expected-value forecast

The available evidence supports exact legal distinctions, observed trade and market measurements, historical incidence evidence, and transparent sensitivities. It does not support selecting one political path as most probable or placing a confidence interval around a bilateral national forecast. Further progress requires net customs collections and remission utilization, tariff-line trade values, matched prices, industry production/employment, and issuer-specific cost bridges.

What is happening now: Selected U.S. Section 338 duties and Canada's September 8 countermeasures operate alongside sectoral tariffs and exemptions; September 15 scope changes and September 29 selected bans are announced but not effective at the cutoff.

Who appears to be paying the largest economic cost: Historical evidence points to substantial importer and domestic-buyer incidence, with exporter, margin and labor losses also possible; the largest current bilateral dollar burden is not identified.

Estimated current economic cost: A national dollar or GDP range is unsupported; observed trade changes, government-stated coverage values, and illustrative duty calculations are not substitutes.

Conditional next policy paths: Announced implementation, suspension, exemption-led relief, de-escalation, and further escalation are compared without political probabilities or ranking.

Conditional 12-month U.S. impact: National GDP, inflation, household and employment ranges are unsupported; product-level input, consumer and export channels are specified.

Conditional 12-month Canadian impact: National causal ranges are unsupported; concentrated U.S.-market exposure and remission-adjusted input costs are key mechanisms.

Largest identified risk: Restrictions on difficult-to-substitute inputs or export markets can produce concentrated supply-chain and worker losses beyond what an aggregate tariff average reveals.

Largest potential upside: Durable, usable market-access and remission relief can lower costs and investment uncertainty, subject to adjustment lags.

What evidence would change this conclusion: Operative schedule amendments; paid customs duties net of refunds; exemption/remission utilization; matched import and retail prices; real trade quantities; exposed-industry output and employment; and documented company tariff-cost bridges.

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Appendices

Appendix A. Reproducibility, policy scope, and coverage

The editable manuscript is `paper.md`; the standalone export is `paper.pdf`.

`model/build_model.py` rebuilds the trade series, tariff-code extracts, deterministic sensitivity calculations, market changes, benchmark residuals, and six figures entirely from saved inputs. `data/provenance.csv` defines variables, source fields, frequency, dates, units, vintage, and transformations. `data/reference_crosswalk.csv` connects references to local evidence. Source manifests record actual retrieval time, URL, response status and SHA-256 hashes. `checksums.sha256` covers the final artifact tree.

The normalized sensitivity base is one billion same-currency units of annual pre-tariff imports; it is not one billion U.S. dollars for Canada and one billion Canadian dollars for the United States. The model assumes a constant-elasticity quantity response, no domestic-supply calibration, and a steady-state flow over the chosen duration. It does not model household expenditure baskets, bilateral input-output links, general equilibrium, monetary-policy rules, or endogenous investment. Its import-demand surplus column is not national welfare.

The U.S. annex CSV is deliberately not a ready-to-use tariff calculator: it retains code occurrences across original, addition/removal and ban documents. The Canadian consolidated page includes multiple date blocks. A transaction-level implementation must use the original schedule block, product qualifiers, current amendments, regime precedence and exemptions. Exact affected trade by sector, net collections, paid effective rates and sector-output exposure

ratios remain unavailable.

Other potentially relevant restrictions were encountered in official searches, including unmanned aircraft, polysilicon, quartz, Canadian wood-cabinet and canned-vegetable measures, and trade-remedy proceedings. Their files are preserved where retrieved, but their complete bilateral scope and individual implementation are not certified here. The paper must not be used to infer that any unlisted product is duty-free. Historic IEEPA collection/refund mechanics, litigation outcomes and firm-level relief allocations also remain outside the verified dataset.

Appendix B. News and internal evidence provenance

Search window: January 1, 2025–September 11, 2026 for archival policy context; live requests used the provider-supported trailing 30-day window. HTTP retrieval returned 45 Canada matches in one page, below the 50-record page limit. SQL returned 100 ranked matches from an archive actually covering July 2–30; the ranking also included irrelevant company stories, so result count is not a relevance or completeness measure. Results are reconciled by story ID in `data/news_reconciliation.csv`.

A relevant SQL result was Reuters' US imposes new 50% tariffs on some Canadian products, published July 20, 2026, 21:37:00, story ID `urn:newsml:reuters.com:20260720:nL1N43M0V3`. Its headline and snippet cross-check the July announcement; they do not establish the later August 22 implementation date. The original SharePoint Markdown read failed with expired authentication. The CLI story lookup also defaulted to a later archive-relative date window and returned no result; this is documented as a query-filter limitation, not evidence that the story did not exist. The matching cached SQL row, including the full article body, was separately recovered read-only. It confirms the original announcement, its then-scheduled August 19 effective date, and the absence of a blanket USMCA exemption under that Section 338 action; the later primary instruments govern subsequent dates.

SharePoint coverage: live failed, exact LSEG Markdown failed, cached institutional text available. HTTP archive: checked, limited retained coverage. SQL index: checked, stale historical coverage. Live LSEG: failed twice; both responses were partial and returned archive matches, with zero new live headlines. Thus the news search has incomplete source coverage. Government primary documents override news in the policy map.

An archived Bloomberg April 2 report on the metals restructuring was used as institutional context. The sanitized summary is in `internal-evidence.md`. Raw cached institutional material and source-service responses are for private parent QA; they should not be included in an externally distributed source bundle without a separate entitlement/privacy review. No external message or file delivery was performed during this task.

Appendix C. Interpretation rules for the exhibits

Figure 1 is observed nominal trade, not a real-volume index. Figure 2 uses effective dates, with future measures separated. Figure 3 is a tariff-code scope illustration, not tariff-affected trade value. Figure 4 is the payment increment on surviving imports, not an average household bill. Figure 5 is a deterministic sensitivity comparison, not an outcome probability distribution. Figure 6 is a market-benchmark residual comparison, not Monte Carlo output or causal identification.

Table 11 replaces probability-weighted outcomes with an evidence-availability assessment. Table 12 reports conditional ranges and selected cases rather than statistical confidence intervals. All unavailable national estimates remain explicitly unsupported. This paper makes no buy/sell recommendation and does not score policies, rank political actors, or assign political outcome probabilities.