



Tariff Timeline and Update

TARIFF UNCERTAINTY

If you're struggling to keep up with the latest in US tariff announcements, you're not alone! The Budget Lab at Yale University has put out a chart showing the dramatic shifts in US tariff policy since Donald Trump's inauguration on January 20, 2025. They point out that these dramatic shifts have increased economic policy uncertainty for businesses operating in the United States.

In Canada, tariff uncertainty has led to a big change in trading patterns with the United States. Since January 2025, Canadian exports of goods to the United States have fallen by 26.2%, and imports from the United States have fallen by 11%. Duties paid on imports to Canada rose by \$546 million in the first three months of 2025, likely due largely to retaliatory tariffs that Canada imposed against the United States.

TIMELINE OF MAJOR TARIFF CHANGES AFFECTING CANADA:

FEB 1: Trump signs executive order imposing 25% tariffs on goods from Canada, Mexico, and China, under the International Emergency Economic Powers Act (IEEPA) and the National Emergencies Act. The administration links these tariffs to the fentanyl crisis in the US.

FEB 3: Tariffs on Canada and Mexico are paused for one month.

FEB 10: China imposes retaliatory tariffs on the United States.

MARCH 4: The 25% tariff on goods imported from Canada and Mexico takes effect, along with an additional 10% tariff on goods from China.

MARCH 5: Automakers in Canada and Mexico are granted a one-month reprieve from tariffs.

MARCH 6: Goods produced primarily in Canada, Mexico, and the US are exempted from the tariffs introduced on March 4th, because they fall under CUSMA rules of origin.

MARCH 12: Global steel and aluminum tariffs of 25% take effect. Canada and the EU introduce retaliatory tariffs.

MARCH 20: China implements tariffs of 100% on Canadian canola, peas, and some animal feeds, and 25% on Canadian aquatic products and pork, in response to Canadian tariffs on Chinese electric vehicles and steel and aluminum introduced in 2024.

APRIL 2: Trump announces global tariffs of at least 10%, to come into effect on April 9. For Canada and Mexico these tariffs are not additional to the tariffs announced on February 1st, but would be applied if the February 1st order were suspended. He also removed an exemption that had allowed shipments of goods under US \$800 to bypass tariffs.

APRIL 3: US tariffs of 25% on final assembly cars and light trucks from Canada and Mexico come into effect. Components produced within North America are exempt from the tariff.

APRIL 8: An additional 50% tariff on goods from China comes into effect.

APRIL 9: China increases tariffs on US goods to 84%. Trump increases tariffs on Chinese goods to 125%, and lowers the rate of the global tariffs announced on April 2nd to 10% for a period of 90 days.

APRIL 10: Trump clarifies that tariffs on Chinese goods total 145%, because the new tariffs are on top of previous fentanyl related tariffs.

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APRIL 11: China increases retaliatory tariffs on US goods to 125%. Trump exempts cell phones and other tech products from most of the tariffs on China, leaving only a 20% import tariffs on these goods.

MAY 3: US tariffs of 25% on auto parts come into effect. This will only be applied to the components that originate outside of North America. The administration also clarifies that steel and aluminum tariffs do not stack on top of auto tariffs – manufacturers must pay whichever tariff is higher, and apply for an exemption from the other relevant tariff.

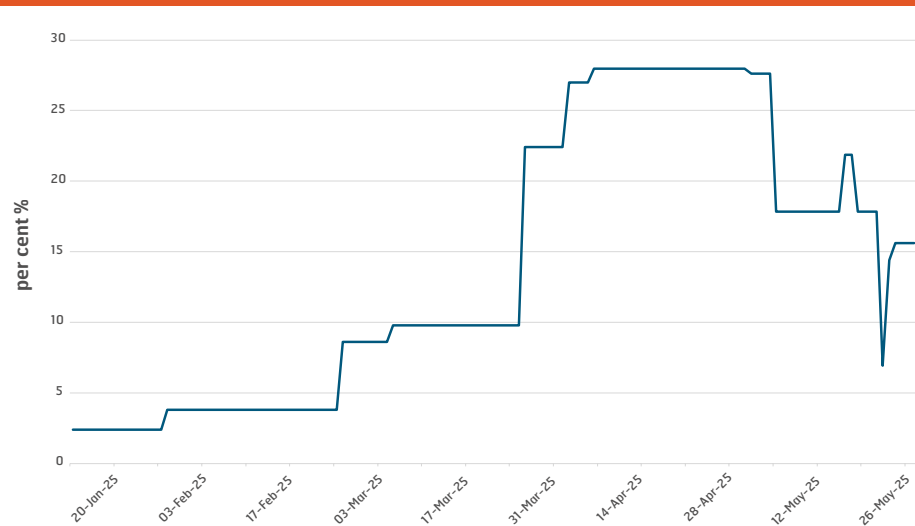
MAY 12: US and China agree to lower tariffs for 90 days. The US rate on goods from China falls from 145% to 30%, and the Chinese rate on US imports falls from 125% to 10%.

MAY 28: U.S. Court of International Trade rules that the International Emergency Economic Powers Act (IEEPA) does not give the President the power to impose sweeping import taxes. This pauses the 25% tariffs against Canada and Mexico, as well as the global tariffs announced on April 2.

MAY 29: The Court of International Trade ruling is appealed by the White House, and the appeals court allows tariffs to be collected while the appeal is in process.

JUNE 4: The US increases its global tariffs on steel and aluminum from 25% to 50%.

Average effective US import tariff rate



Source: Yale University, The Budget Lab

Higher income inequality leads to shorter life expectancy

Recent academic research by Canadian economists finds that higher levels of income inequality after 1996 have led to shorter life expectancies across Canadian provinces, with the effect being more pronounced for men. While this relationship has been established in the United States and other countries for many years, this is the first paper to find this effect in Canada.

The authors suggest that a shift in tax policy that began in the mid-1990's has led to growing income inequality. This shift in tax policy leads to other changes in public policy that has a direct impact on life expectancies. The authors conclude that "...austerity and privatization of public services, and deregulation of industry and labour markets, have significantly eroded social and ecological determinants of health."

Sepulveda, E.R., McLaren, L. Income inequality and life expectancy in Canada: New evidence from province level panel regression, 1996–2019. *Can J Public Health* (2025). <https://doi.org/10.17269/s41997-025-01024-6>

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CUPE Canadian Union of Public Employees

OPERATION PROFIT

A recent report by the Parkland Institute in Alberta shows that most for-profit surgical facilities have significantly higher costs for the same procedures as public hospitals, and these costs have been growing faster than the average rate of inflation. This is despite the fact that for-profit surgical providers only perform lower complexity procedures, while higher risk and more complex surgical cases remain in the public system. Between 2018-19 and 2022-23 in Alberta, public payments to for-profit surgical facilities increased by 66 per cent while public spending on public operating rooms only increased by 12 per cent.

The report also challenges the provincial government's claim that private delivery of surgeries has improved wait times. Since surgical outsourcing took off in 2018, median wait times in Alberta have increased for nine of 11 priority procedures tracked by the Canadian Institute for Health Information (CIHI). These findings are consistent with the international evidence on the impact of privatizing surgical procedures.

Andrew Longhurst, "Operation Profit: Private Surgical Contracts Deliver Higher Costs and Longer Waits," Parkland Institute, available online: https://www.parklandinstitute.ca/operation_profit



International Students and the Canadian Economy

In January 2024, the federal government introduced a significant set of changes to the allocation and administration of international student visas and related immigration programs in Canada. These changes reduced the number of international students coming to Canada by about 40%, with large reductions to other temporary work visa streams as well, and were justified by claims that the reduction would ease pressures on housing, health care and other services.

This has created a crisis for universities and colleges across the country. Institutions are closing programs and laying off workers, and there are wider impacts on the economies and economic opportunities available in many towns and communities across the country. This is partly because once international students graduate, they often continue to work in the communities where they studied, through

the Post-Graduate Work Permit program (PGWP) or Provincial Nominee Program (PNP).

The economic impact of these changes will hit small and rural communities harder than large urban centres. Small and rural communities tend to rely on newcomers and migrant workers more than urban centres to fill workforce gaps, especially in care work, as rural communities are aging faster.

Small and rural communities also rely more on post-secondary campuses as economic anchor institutions. Beyond the direct jobs that campuses bring to a community, students and staff spend money in the local community, supporting small businesses, housing, and other services; sporting and artistic activities bring a sense of pride; and often campuses offer opportunities for partnerships between local industries and researchers.

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Rather than being a drain on local resources, international students are a net financial benefit for governments, post-secondary institutions, and the communities that they live and work in.

Prior to 1992, 80% of funding for post-secondary institutions came from federal and provincial governments, but by 2024-25 less than half of their revenue came from public sources. To make up some of that gap in funding, universities and colleges charged higher and higher tuition fees to international students, and competed to attract more international students. In 2006/2007, the average tuition fees that international students paid for an undergraduate degree was 3 times higher than domestic students – by 2024/2025 that had risen to 5 and half times higher.

Temporary immigration, which includes migrant workers and international students, plays a **crucial role in supporting the Canadian economy** across multiple sectors. Here's how:

1. Filling Labour Market Gaps

- Migrant workers, particularly those in the Temporary Foreign Worker Program (TFWP) and the Seasonal Agricultural Worker Program (SAWP), fill essential roles in sectors like:
 - Agriculture – harvesting crops and maintaining farms
 - Construction, hospitality, healthcare, and manufacturing
- These are often low-wage, high-demand jobs that Canadian residents are less likely to take.
- Without these workers, many businesses would face severe labour shortages, impacting productivity and food supply chains.

2. Supporting Postsecondary Institutions

- International students contribute billions of dollars to the Canadian economy annually through:
 - Tuition fees (often significantly higher than domestic fees)
 - Living expenses, such as housing, food, and transportation

- Their presence sustains many colleges and universities, especially in smaller or rural communities.
- They also help fund research, innovation, and the academic workforce.

3. Boosting Consumer Spending and Local Economies

- Temporary immigrants spend money locally, supporting small businesses, transportation, housing, and other services.
- Their consumption creates jobs and drives demand in local economies, especially in urban centres where populations are growing due to immigration.

4. Contributing to Long-Term Immigration Goals

- Many temporary immigrants transition to permanent residency, filling longer-term demographic and labour needs.
- They help offset Canada's aging population and declining birth rate, which are major concerns for economic sustainability and healthcare funding.

5. Tax Contributions Without Full Access to Benefits

- Many temporary residents pay income taxes, sales taxes, and property taxes (indirectly through rent).
- However, they often don't have full access to public services like healthcare or student financial aid.
- This results in a net fiscal benefit for the government.

Blaming temporary immigrants for infrastructure or housing challenges ignores the structural issues in planning, development, and policy. These workers and students are not just participants—they are key drivers of growth and resilience in Canada's economy. Effective policy should recognize both their contributions and the need to invest in infrastructure that supports a growing and diverse population.