Fact Sheet: President Donald J. Trump Imposes Additional Tariffs on Canada

Proclamation | July 20, 2026

DEFENDING AMERICAN WORKERS AND ENSURING FAIR TRADE: Today, President Donald J. Trump signed three Proclamations pursuant to Section 338 of the Tariff Act of 1930 to impose additional 50% tariffs on certain goods of Canada in response to Canada's discriminatory treatment of American products. By doing so, President Trump is offsetting the burden and disadvantage on U.S. commerce from Canada's discriminatory treatment of U.S. commerce and is leveling the playing field for crucial American exports—cars, alcohol, and dairy.

- Each Section 338 proclamation imposes a 50% tariff on a different set of Canadian imports, covering products ranging from wine to hockey sticks to cement.
- These Section 338 tariffs apply to all covered goods regardless of whether a good originates under the U.S.-Mexico-Canada Agreement (USMCA).
- These Section 338 tariffs will not apply to energy, potash, products subject to tariffs under Section 232, and certain other goods, such as fish or critical minerals.
- The tariffs will take effect 30 days after signing and are designed to offset the burden and disadvantage on U.S. commerce from Canada's discrimination.

SECURING FAIR TREATMENT FOR AMERICAN EXPORTS: President Trump is taking action to hold Canada accountable for its continued discrimination against and unreasonable and unequal treatment of U.S. commerce that has burdened and disadvantaged hardworking Americans.

- Section 338 empowers the President to impose tariffs when a country disadvantages U.S. exporters relative to the exports of another country to offset the disadvantage or burden on U.S. commerce.
- Canada imposes certain tariffs and quotas on cars imported to Canada from the U.S., but not on imports from other countries. Canada also administers these quotas in a way that compels U.S. auto companies to invest in production in Canada instead of the United States.
    - From April 2025 through March 2026, Canadian imports of U.S. motor vehicles decreased by approximately 22%, or $5.6 billion, compared to the same period in 2024-2025. Exports of motor vehicles from other countries to Canada have increased to meet the demand previously filled by U.S. exports.
- All but two Canadian provinces and territories have halted the purchase, distribution, or retailing of U.S. alcoholic beverages, and have not imposed similar restrictions on other countries.
    - From March 2025 through February 2026, Canadian imports of U.S. alcoholic beverages decreased by about 81%, or $582 million, compared to the same period in 2024-2025.
- As part of its complicated and protectionist dairy system, Canada established tariff-rate quotas on U.S. cheese that are much more restrictive than the tariff-rate quotas imposed on similar imports of cheese into Canada from the EU, despite Canada having trade agreements with both the U.S. and the EU.
- Over the past year and a half, only two countries have chosen to retaliate against President Trump's tariffs rather than negotiate a deal with the United States: the People's Republic of China and Canada.
- The Section 338 tariffs imposed today make America wealthier and stronger, offsetting the burden and disadvantage on U.S. commerce from Canada's discriminatory treatment of U.S. commerce.

KEEPING AMERICA FIRST: President Trump is delivering on his promise to secure better outcomes for American workers, farmers, and businesses by using tariffs to restore reciprocity to trade and strengthen our national security.

- President Trump's America First Trade Policy was created to benefit American workers and families. It has dramatically expanded global market access for U.S. exports, strengthened workers' incomes, reshored and supported American jobs, and reduced the trade deficit.
- The United States, under President Trump's leadership, did not agree to renew the United States-Mexico-Canada Agreement (USMCA) in its current form, because the deal is not sufficiently beneficial for the United States.
- President Trump has taken actions under Section 232 to protect and strengthen U.S. manufacturing critical for our national and economic security, including imposing tariffs on key goods such as steel, aluminum, copper, trucks and automobiles, timber, lumber, and pharmaceuticals.
- In May 2026, U.S. manufacturing grew at its fastest rate in four years—nearly tripling expectations, and in June 2026, U.S. manufacturing expanded for its sixth straight month.
- Through negotiations with foreign trading partners and the strategic use of tariffs, President Trump has secured trillions in private and foreign investment to bring American jobs and manufacturing back to the United States while diversifying global supply chains and reducing dependence on adversarial nations.
- President Trump's tariffs have resulted in 18 deals opening new markets for U.S. exports and bringing reciprocity back to America's trade relations. Yet Canada has elected to discriminate against the United States rather than address Canadian trade barriers.