EXPLAINERS

September 8 Is When the Trade War Reaches the Shopping Cart

Canada's Sept. 8 counter-tariffs reach beyond factories. Clothing, cosmetics, furniture, appliances and even toilet paper are on the list — but prices won't jump overnight.

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Illustration: Nasty Canuck / AI-assisted

Canada's latest counter-tariffs cover $27.6 billion in U.S. imports. Some of the affected goods belong on factory floors. Others are considerably closer to home — clothing, appliances, cosmetics, furniture and, yes, toilet paper.

Trade wars sound abstract until somebody puts a price sticker on them. For months, Canadians have heard about retaliatory tariffs, negotiating positions, Section 232, Section 338 and billions of dollars moving back and forth across the border. Most of that language belongs comfortably in government briefing notes and trade-policy meetings.

On September 8, some of it gets considerably closer to the checkout.

At **12:01 a.m. Tuesday**, Canada will impose new counter-tariffs of 15, 25 and 50 per cent on products covering **$27.6 billion in imports from the United States**. The rates vary by product and are intended to match the corresponding U.S. tariffs Canada is responding to. The list includes plenty of industrial goods — steel, aluminum-related products, machinery, plastics and agricultural equipment — but Canadians don't buy economies by sector. We buy shirts, refrigerators, makeup, furniture and things to put dinner on.

Those are on the list too.

Yes, toilet paper made the cut

Anyone who spends much time with Canada's official tariff schedule will quickly understand why international trade lawyers continue to find work. Hundreds of classifications are involved, ranging from factory inputs to things Canadians routinely bring home in shopping bags.

U.S.-origin perfumes, lip and eye makeup, some hair preparations and plastic household goods face **50 per cent tariffs**. Cotton T-shirts, sweaters, gloves and a number of coats and other clothing categories are also listed at 50 per cent. **Toilet paper and facial tissues face 25 per cent**, while paper tablecloths, serviettes and some related products face 50 per cent.

Furniture is similarly mixed rather than covered by one neat headline rate. Many household furniture categories are listed at 50 per cent, while some kitchen furniture, upholstered seating and furniture parts are at 25 per cent. The details matter because a broad label such as *furniture* or *clothing* does not tell you whether a specific product is affected; customs classifications get very specific very quickly.

The broader point is easier to understand. Canada's latest counter-tariffs are not confined to steel mills and loading docks. Some apply to things Canadians actually put in their homes, closets and bathrooms.

A 50 per cent tariff does not mean a 50 per cent price increase

This is where the easiest version of the story becomes misleading.

If a U.S.-origin product is hit with a 50 per cent tariff at the border, that does **not** mean a $100 item automatically becomes $150 in a Canadian store on Tuesday morning. The tariff is paid when the affected product enters Canada, and what happens to the retail price afterward depends on who absorbs the cost and for how long.

Exporters can cut prices, importers can accept smaller margins, retailers can absorb or phase in increases, and some businesses will simply look for another supplier.

Canada has recent evidence of how that process can work. Bank of Canada researchers studied the 25 per cent counter-tariffs imposed on U.S. goods in 2025 using daily prices for more than 110,000 products sold by seven major Canadian retailers. After roughly three months, affected goods had risen about **6 per cent more than comparable non-tariffed products**. In that episode, roughly one-quarter of the tariff showed up in retail prices.

That isn't a forecast for what happens after September 8. The rates are different, the product mix is different and businesses may behave differently depending on whether they expect this dispute to last weeks, months or years. It is, however, a useful reality check: tariffs aren't free, and they don't arrive at the cash register through simple multiplication.

The economics change before every shelf does

Tuesday will not produce an instant nationwide repricing exercise. Goods already sitting in Canadian stores or warehouses may have crossed the border before the new tariffs took effect, and Ottawa has exempted affected U.S. goods already **in transit to Canada** when the measures begin.

Consumers are therefore likely to see the effect unevenly. A retailer with plenty of existing inventory could hold its current price for weeks, while another business may replenish faster and feel the cost almost immediately. An importer might negotiate with its U.S. supplier, switch to another country or decide customers are willing to pay more for the same product.

Expectations matter too. The Bank of Canada researchers found that retailers passed more tariff costs along once they became less confident the previous round of counter-tariffs would be short-lived. A temporary squeeze can be absorbed more easily than a permanent increase in the cost of doing business.

September 8 matters because **the economics of importing affected U.S. goods changes that day**. The shopping-cart effects arrive afterward, product by product and retailer by retailer.

American brand doesn't necessarily mean American tariff

The new tariffs apply to **goods originating in the United States**. They do not simply apply to anything carrying the name of an American company.

A product sold by a U.S. brand but manufactured somewhere else may not attract this particular surtax. A Canadian company, meanwhile, can sell a product made in the United States that does. What matters is the origin of the good under Canada's customs rules, not the nationality of the corporation whose logo appears on the package.

That makes shopping more complicated than sorting everything into American and Canadian piles. Country-of-origin information is not always obvious, and modern supply chains have a habit of making the front of a package look much simpler than whatever happened before it reached the shelf.

We've already seen the same problem with **Product of Canada** and **Made in Canada** labels. A Canadian-looking product is not necessarily entirely Canadian, and an American-looking brand is not necessarily shipping an American-made product.

Sometimes you have to look a little closer.

Buy Canadian works better as a habit than a boycott

Buy Canadian has sometimes been treated as another way of saying *boycott the United States*. That's too small an idea to be useful for very long.

Boycotts begin with what people want to avoid. **Buying Canadian is more durable when it begins with what Canadians want to support.**

If a U.S.-origin product becomes more expensive and a competitive Canadian alternative exists, that creates an opening for the Canadian producer. If there isn't a practical Canadian option, products from countries that maintain fair and dependable trading relationships with Canada can provide another choice.

Nobody needs to throw American products they already own into the driveway. We paid for them.

The useful decision comes the next time something needs replacing. The practical choice might be Canadian-made, a Canadian company's product built through a mixed supply chain, or an alternative from Europe, Japan, South Korea or another reliable trading partner.

Price, quality and availability still matter. A family working within a tight budget does not become less Canadian because the domestic option costs substantially more. Country of origin can simply become one more consideration.

If enough people start asking where products come from, retailers have more reason to offer alternatives and Canadian companies have more reason to compete for that business.

Businesses can move too

Consumers are not the only ones who can adjust. Canadian importers, manufacturers and retailers can change suppliers, redesign supply chains or decide that a U.S. product still makes economic sense even with the tariff attached.

Ottawa's remission process provides a limited safety valve, although it should not be mistaken for a general escape hatch. The government says it will consider exceptional relief where goods used as business inputs cannot be sourced domestically or reasonably from a non-U.S. supplier, as well as in other circumstances where the tariff could cause serious economic harm.

The logic is fairly clear: use Canadian supply where it makes sense, look to another dependable international source when it doesn't, and reserve remission for cases where neither option is realistically available.

Tariffs are supposed to change incentives. Whether those incentives produce stronger Canadian businesses or simply higher Canadian costs depends on what companies do next.

Retaliation is not an economic strategy

There is a bill attached to all of this, and Canadians shouldn't pretend otherwise. The Bank of Canada researchers estimate that Canada's 2025 counter-tariffs added roughly **0.3 percentage points to consumer-price inflation** during the period they studied. When most of those tariffs were later removed, the relative price increases largely unwound within a few months.

That should keep everybody reasonably humble.

A counter-tariff can be a legitimate response to another country's trade measures. It can create negotiating leverage and give Canadian producers a temporary advantage over affected imports. What it cannot do by itself is make Canada more productive, more innovative or less dependent.

Those gains require stronger Canadian businesses, fewer unnecessary internal trade barriers, more competitive domestic production and deeper commercial relationships with countries that want open and reciprocal trade with us. If tariffs help create room for some of that adjustment, there may be a longer-term benefit. If all Canada accomplishes is making imported goods more expensive, consumers get the bill and not much else.

Check the label before you check out

September 8 will not transform every Canadian shopping cart overnight. Some products won't be covered, others are already here, and businesses will absorb some costs, pass others along and change suppliers where doing so makes sense.

But the incentives change Tuesday.

U.S.-origin clothing, cosmetics, furniture, appliances, paper products and hundreds of other tariff classifications are about to compete in Canada with a new cost attached. That gives Canadian businesses an opportunity, retailers a reason to consider different suppliers and consumers another reason to look at where something came from before deciding where their money goes.

That doesn't make every American product bad or every Canadian alternative automatically better. It simply makes the choice a little more consequential — and starting September 8, some of those choices will also become a little more expensive.