



# **National Youth Policy Alliance**

Resolution on US-CAN Tariffs and Economic Policy

**Dated: October 12, 2025**

## **Executive Summary**

Recent U.S. tariffed arrangements under the Trump Administration have put a heavy load on the Canadian export-led economy, endangering major industries, jobs, and the general growth. The Bank of Canada research evidenced a decline in GDP as well as the loss of more than 55,000 manufacturing positions, already caused by tariffs.

They are also supported by the NYPA survey results indicating that young Canadians are overwhelmingly against tariffs and attribute their act to an increase in costs to the consumer and a parallel reduction in their competitiveness. The majority of them push towards diversity trade relationships, national innovation, and public participation of young people in trade making.

The policy recommendation that follows provides a multi-pronged approach that can be used to safeguard industry in Canada, stabilize employment, and increase the resilience of the trade in the long-term perspective.

## **Policy Objective**

To safeguard Canada's economic stability and sovereignty by reducing dependency on U.S. markets, mitigating the domestic effects of tariffs, and positioning Canada as a competitive, diversified trading nation in the global economy.

## **Policy Recommendations**

### **1. Establish a “Canadian Trade Resilience and Diversification Strategy” (CTReDS)**

Goal: Reduce Canada’s dependence on the U.S. market (currently ~75% of exports) by expanding into alternative regions.

Actions:

- Negotiate fast-track free trade agreements and tariff reduction pacts with EU, ASEAN, and Africa Continental Free Trade Area (AfCFTA) members.
- Strengthen trade missions and export financing for small and medium-sized enterprises (SMEs) entering Asian and Latin American markets.
- Deepen cooperation with U.S.–Mexico under USMCA on supply chains, clean energy, and trade infrastructure.

Rationale:

Both economic research and youth sentiment highlight overreliance on the U.S. as a structural weakness. Expanding trade networks will mitigate exposure to U.S. tariff volatility, while deepening our stake in existing trade agreements such as the USMCA.

### **2. Implement a “Made in Canada Competitiveness Fund”**

Goal: Support domestic producers and maintain employment in key sectors impacted by tariffs (steel, aluminum, automotive, and manufacturing).

Actions:

- Provide temporary subsidies and low-interest loans to offset short-term losses in export-oriented industries.

- Invest in automation, R&D, and workforce training that directly raise output for our key sectors.
- Incentivize innovation and automation to boost domestic productivity and lower costs.
- Support “Buy Canadian” marketing campaigns while ensuring consumer protection from price inflation.

Rationale:

Canadian industries have seen export declines of 15% in key sectors and severe job losses due to U.S. tariffs. A competitiveness fund will sustain industrial capacity and workforce retention during trade disruptions. This fund is to encourage the production and competence of Canadian businesses, but not to the extent of having a protectionist policy.

### **3. Pursue Diplomatic De-escalation and WTO Mediation**

Goal: Decrease bilateral tensions while maintaining leverage in trade

negotiations. Actions:

- Initiate formal consultations under WTO Article 22 to challenge tariff legality.
- Propose a Joint Trade Stability Council with the U.S. to review and resolve tariff disputes.
- Coordinate with allies (EU, Japan, South Korea) to form a coalition of fair-trade nations opposing unilateral tariffs.

Rationale:

While retaliatory tariffs exacerbate consumer inflation, diplomatic engagement combined

with multilateral pressure can incentivize the U.S. to reconsider protectionist policies without escalating trade wars.

#### **4. Create a “Youth Trade Engagement Framework”**

Goal: Integrate youth perspectives and innovation into long-term trade

strategy. Actions:

- Establish Youth Trade Advisory Councils within Global Affairs Canada.
- Fund programs that enable young entrepreneurs to access international markets.
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Incorporate tariff education modules into national economic literacy curricula.

Rationale:

According to NYPA surveys, youth demonstrate strong understanding and concern regarding tariffs yet feel excluded from policymaking. Their inclusion can foster forward-thinking and globally competitive trade policy.

#### **Expected Outcomes**

- Reduced economic exposure to U.S. tariffs within five years.
- Stabilized GDP through diversification and domestic competitiveness.
- Reinvigorated industrial employment via targeted financial support.
- Enhanced youth participation in trade and innovation sectors.

## **Conclusion**

Tariffs represent not just an economic challenge but a strategic opportunity for Canada to reimagine its trade future. By diversifying markets, reinforcing domestic resilience, engaging in smart diplomacy, and empowering youth-led innovation, Canada can emerge from tariff pressures more self-reliant and globally competitive.