

October 3, 2025

NTU urges all Senators to vote "YES" on <u>S.J.Res.37</u> and <u>S.J.Res.81</u>, joint resolutions terminating the national emergencies declared to impose duties on articles imported from Canada and Brazil. These resolutions, sponsored by senators including Tim Kaine (D-VA) and Rand Paul (R-KY), would terminate the <u>national emergency</u> declared on February 1, 2025, which imposed tariffs on goods from Canada to address the flow of illicit drugs like fentanyl across the northern border, and the <u>national emergency</u> addressing threats by the government of Brazil declared on July 30, which referenced actions including the alleged persecution of former President of Brazil Jair Bolsonaro.

The role of Canada in the supply of illegal drugs is minimal. In Fiscal Year 2024, fentanyl seizures at the northern border accounted for <u>less than 0.2%</u> of total fentanyl seizures. There are reportedly <u>far more</u> illegal drugs flowing from the United States to Canada than vice versa.

But the impact of U.S. tariffs has been costly. U.S. exports to Canada from April to July were down nearly 9% compared to last year. That's \$8.7 billion in lost exports. Tourism from Canada to border states and warm-weather destinations like <u>Florida</u> and <u>Hawaii</u> is also down <u>significantly</u>. Canadians are <u>booing</u> the U.S. national anthem and <u>boycotting</u> U.S. goods. Brown-Forman, the parent company of products like Jack Daniel's Whiskey, reports that sales to Canada have <u>fallen 62%</u> from last year. If the tariffs remain in place, U.S. exporters of goods and services will continue to lose out.

Since Americans pay for tariffs, importers will also continue to suffer. Tariffs have additional security implications, since Canada is a key supplier of goods and services like crude oil, natural gas, steel, and aluminum that bolster our national security. Canada is a reliable trading and national security partner. The federal government has maintained a Reciprocal Defense Procurement (RDP) Agreement with Canada since 1963. Both countries are members of the North Atlantic Treaty Organization (NATO) and the Five Eyes Intelligence Oversight and Review Council (FIORC).

Tariffs imposed on Brazil are unusual, given the Trump Administration's assertion that trade deficits also constitute a national emergency. The United States has had an annual goods-trade surplus with Brazil for 17 straight years. Brazil also supplies Americans with products like coffee and bananas that are produced in relatively small quantities domestically. With respect to U.S. national security interests, tariffs may even drive Brazil to have closer ties with China at the expense of the United States.

Tariffs imposed based on these so-called emergencies are harming Americans on an ongoing basis. The Senate should terminate them.



Roll call votes on these resolutions will be included in NTU's annual Rating of Congress and "YES" votes will be considered the pro-taxpayer position.

If you have any questions, please contact Director of NTU's Free Trade Initiative Bryan Riley at briley@ntu.org

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