

REPORT

Oakville Public Library Board

Meeting Date: March 20, 2025

FROM: Oakville Public Library

DATE: March 11, 2025

SUBJECT: Potential US Tariffs Impacts – March 20, 2025

RECOMMENDATION:

That the Potential US Tariffs Impacts report be received for information.

KEY FACTS:

The following are key points for consideration with respect to this report:

- In March, the the U.S. government implemented 25% tariffs on key Canadian imports prompting the Canadian government to respond with retaliatory tariffs on goods and services with additional tariffs expected in late March.
- The US has stated that further tariffs will be imposed in early April.
- As a result, Oakville Public library is planning for potential supply chain disruptions and increased costs in US sourced materials.
- On February 4th, Mayor Burton issued directive to Town of Oakville staff to form a task force to explore all feasible municipal actions to mitigate negative impacts as a result of the tariffs.
- OPL has taken an initial review of potential risk points and is actively working with the Town of Oakville and identified vendors to mitigate the impacts where possible.

BACKGROUND:

In early 2025, trade relations between Canada and the United States entered a period of heightened tension. On February 1, U.S. President Donald Trump announced the imposition of 25% tariffs on all Canadian imports, excluding energy products, which were subjected to a 10% tariff. He later delayed these until March 4, 2025 with further adjustments a few days later.

The stated justification for these measures was to address concerns over illegal immigration and drug trafficking, particularly fentanyl, into the United States. In response, Canada implemented retaliatory tariffs of 25% on a range of U.S. goods, including liquor, vegetables, clothing, shoes, and perfume, aiming to pressure the

U.S. administration to reconsider its stance. A second round of retaliatory tariffs on US goods are expected near the end of March with the US responding in early April.

The economic ramifications of Canada/US trade dispute are significant. Industries on both sides of the border are experiencing increased costs and supply chain disruptions. For instance, the construction sector faces higher prices for materials like lumber, as Canadian softwood lumber exports are heavily impacted by U.S. tariffs. This will impact construction on both sides of the border.

The current tariff issues between Canada and the United States have introduced economic uncertainties and strained political relations. The unfolding scenario requires careful navigation to mitigate adverse effects on both economies and maintain the longstanding partnership between the two nations.

Key Impacts:

- **Supply Chain Disruptions:** The integration of U.S. and Canadian supply chains means that any tariff escalation could lead to delays and increased costs in the procurement of essential goods and services.
- **Increased Cost Pressures:** With tariffs likely to be passed along to the purchaser, prices may face upward pressure.
- **Strategic Response:** In response to these challenges, it is imperative to explore alternative sourcing strategies, enhance vendor engagement, and work closely with industry associations and policymakers to mitigate adverse impacts.

On February 4th, Mayor Burton issued directive to Town of Oakville staff to form task force to explore all feasible municipal actions to mitigate negative impacts. The Mayor's mayoral direction statement can be found here:

<https://www.oakville.ca/town-hall/mayor-council-administration/mayoral-direction/>

By working with the Town of Oakville's Task Force to identify and stay ahead of these key impacts and actively managing OPL's exposure, OPL hopes to safeguard its interests and position the organization for resilience in an increasingly complex trade environment.

COMMENT/OPTIONS:

Starting in February, OPL performed an initial review of potential risk points (see below) and is actively working with the Town of Oakville and identified vendors to mitigate the impacts where possible.

Identified Risk Points:

Technology:

- OPL is working with vendors to identify products potentially impacted by tariffs for our equipment coming from US vendors or transiting through the US.

Collections:

- Currently books imported from the US are excluded from tariffs. This area will continue to be monitored closely.
- Vendors have expressed concerns about the cost and availability of some of their processing supplies, which could impact OPL's processing costs and throughput of new materials.

Materials/Supplies:

- OPL is reviewing its list of materials/supplies that are either purchased via a US company and/or made in the US (e.g. RFID tags, paper, creation zone materials etc.) to identify potential Canadian sources for future purchases.
- OPL is working with the Town of Oakville on materials/supplies supported via Town departments to identify risk for increased costs and to identify potential Canadian sources for future purchases.

New Sixteen Mile Construction Project

- OPL is working with vendors to identify US based products to understand and mitigate possible impacts (e.g. laptop dispensers).
- Sixteen Mile shelving will not be impacted as it is made in Canada from Canadian steel.

In light of these challenges, it is essential that libraries remain proactive in their risk mitigation as well as their advocacy efforts. Continued engagement with policymakers, vendors, and the public will be critical in navigating the evolving tariff landscape while maintaining robust and accessible library services.

APPENDICES:

N/A

Prepared and submitted by:
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