



Deputy Mayor

# PAUL AINSLIE

CITY OF TORONTO - COUNCILLOR  
WARD 24 SCARBOROUGH-GUILDWOOD

100 QUEEN STREET WEST, SUITE C52  
COUNCILLOR\_AINSLIE@TORONTO.CA  
416-392-4008

150 BOROUGH DRIVE, 2ND FLOOR  
COUNCILLOR\_AINSLIE\_CO@TORONTO.CA  
416-396-7222

CHAIR, GENERAL GOVERNMENT COMMITTEE  
CHAIR, SCARBOROUGH COMMUNITY COUNCIL  
CHAIR, BOARD OF MANAGEMENT OF THE TORONTO ZOO  
PRESIDENT, GOOD ROADS BOARD OF DIRECTORS  
NIGHT ECONOMY CHAMPION, CITY OF TORONTO

**FOR IMMEDIATE RELEASE**

**May 6, 2026**

## **Calls for Federal Action Amid Rising Impacts of U.S. Trade Disputes**

**Hamilton, ON** — Deputy Mayor Paul Ainslie today highlighted the growing economic pressures facing Toronto and municipalities across Ontario as ongoing trade tensions with the United States continue to disrupt local economies, supply chains, and infrastructure costs.

Speaking at the Great Lakes and St. Lawrence Cities Initiative Annual Conference, of which the City of Toronto is a member, Deputy Mayor Ainslie emphasized that the effects of the trade conflict are no longer abstract — they are being felt directly in city budgets, local businesses, and household economic stability.

“Toronto is one of the most trade-exposed urban economies in North America,” said Ainslie. “What happens at the border is showing up in our city — in the cost of building infrastructure, in the competitiveness of our industries, and in the growing concern we hear from residents and employers.”

Recent economic analysis underscores the urgency of the situation:

- The Bank of Canada has identified a prolonged trade war as the single greatest threat to Canada’s economy, citing risks of slower growth and increased unemployment.
- RBC Economics forecasts Ontario and Quebec will experience the weakest GDP growth among all provinces in 2026.
- Key sectors face steep tariffs, including:
  - 25% on automobiles and parts
  - 35% on softwood lumber
  - 50% on steel and aluminum

Even smaller-scale trade has been affected, with previously exempt low-value goods now subject to full duties.

As businesses adapt, Canada’s export patterns are shifting:

- Exports to the U.S. have declined from 76% in 2024 to 72% in 2025
- Trade with Europe and other markets is rising

While diversification is necessary, Ainslie noted that it comes with real costs, including new infrastructure investments, logistics adjustments, and capital requirements.

The financial consequences for municipalities are significant:

- Tariffs are projected to add over \$1 billion in costs to nearly \$50 billion in planned municipal infrastructure projects across Ontario
- This represents a 2.1% increase in costs for roads, water systems, and public buildings

“For cities like Toronto, this means making difficult decisions about how and when we build,” Ainslie said.

The City of Toronto is taking proactive steps to protect its economy through its U.S. Response Secretariat, including:

- Increasing the Small Business Property Tax reduction to 20%
- Offering a 100% tax growth grant through the EDGE Incentive Program until 2027
- Providing a 35% benefit under the Industrial Water Rate Program for large users

In addition, the City is advancing TradeTO, a strategy to double non-U.S. exports over the next decade and strengthen economic resilience.

With the CUSMA/USMCA joint review underway and a key July 1 deadline approaching, Ainslie stressed the need for strong federal leadership.

“Municipalities don’t negotiate trade agreements, but we live with the consequences when they fall short,” he said. “Our federal partners must recognize that trade instability has a real and growing municipal price tag.” Ainslie concluded by reaffirming Toronto’s commitment to working with partners across Canada and the Great Lakes region to advocate for stable, fair, and predictable trade relationships.

-30-

Contact

Paul W. Ainslie

Deputy Mayor

Councillor, Ward 24, Scarborough-Guildwood

416-392-4008

[councillor\\_ainslie@toronto.ca](mailto:councillor_ainslie@toronto.ca)