USA & CANADA INTELLIGENCE BRIEF — SUNDAY, AUGUST 23, 2026

# The Line Under The List

*Talks collapsed on Friday night and fifty per cent duties took effect at one minute past midnight. Canada had spent three weeks publishing what it would trade, and then discovered something it would not.*

*Carney says the last-hour demands touched language, culture and the freedom to sign deals with anyone else. Whatever the merits, a country that walks away names its own floor.*

*Domestic stories only, read in English and Canadian French. No war coverage and no sport.*

IN THIS ISSUE

EDITOR'S LEADER · 01

**A NEGOTIATION THAT FOUND ITS OWN FLOOR**

# The Thing Not On The List

*Two days ago this brief set out the ranked list of what Canada had shown itself willing to trade. The list turned out to have something underneath it.*

Negotiations broke down late on Friday and the fifty per cent duties took effect at one minute past midnight eastern time. They cover roughly twenty billion dollars of goods, among them certain dairy products, alcohol, cement, building materials, clothing and hockey equipment.

The customs service had already circulated a notice telling importers that officers would be enforcing the new rates the moment the deadline passed. The machinery was ready before the talks were over.

## What the list did not contain

Carney said the United States introduced demands in the final hours that would have limited Canada's ability to conclude trade agreements with other countries. He said the proposals also touched protections for language and culture, and in his description, for sovereignty itself.

He did not detail those provisions and no text has been published. We report the characterisation as his, because it is the stated reason a government walked away from a deal it had spent three weeks assembling.

That is the interesting part. Dairy, metals, softwood and provincial liquor policy were all placed on the table in some form, and the thing that ended the negotiation was none of them.

> *They asked too much, and they offered too little.*
>
> MARK CARNEY, PRIME MINISTER OF CANADA, OTTAWA · SATURDAY 22 AUGUST 2026

## The American account is different

Greer said Canada declined to finalise terms agreed earlier in the week, and pointed to new demands and to commitments being walked back. He said the offer would have given Canada the best treatment of any major exporter to the American market.

He also described the package on offer, which included coordination on aerospace supply chains, cooperation on critical minerals, and the formal opening of continental trade negotiations. Two governments are now describing the same room in incompatible terms.

## What happens on 8 September

Canada will match the duties dollar for dollar from 8 September, on steel, dairy, appliances, agricultural equipment, pulp, paper and electronics. That is a seventeen-day gap between the American measure and the Canadian answer.

Carney called the American move a miscalculation and said it was designed to divide Canadians. A retaliation dated a fortnight out is also, in practice, a fortnight held open.

EXECUTIVE SUMMARY · 02

**TEN ITEMS, RANKED BY CONSEQUENCE**

# The Day At A Glance

Here is the weekend's news, in order of consequence for Latin American readers. Every item is dated and domestic.

| # | ITEM | WHY IT MATTERS |
|---|---|---|
| 1 | Talks collapsed and the duties took effect | Fifty per cent applied at one minute past midnight Saturday on about twenty billion dollars of goods. Three days of talks in Washington ended without agreement. |
| 2 | Carney cites sovereignty, not sectors | He said last-hour American demands would have restricted Canada's ability to make other trade deals and touched language and culture. No text has been published by either side. |
| 3 | Canada will match dollar for dollar from 8 September | The measures cover steel, dairy, appliances, agricultural equipment, pulp, paper and electronics. That leaves a seventeen-day gap before they apply. |
| 4 | Washington blames Canadian walk-backs | Greer said Canada declined terms agreed earlier in the week and pointed to new demands. He said the offer was the best available to any major exporter. |
| 5 | The covered volume settles at twenty billion | Friday's reporting had carried both twenty and twenty-eight billion dollars. The figure used on the day the measure took effect is twenty. |
| 6 | The customs notice preceded the collapse | Officers were instructed to enforce the new rates immediately after the deadline. The instruction went out while negotiators were still in the building. |
| 7 | What was on offer is now on the record | The American package included aerospace supply-chain coordination, critical minerals cooperation and formal continental trade talks. None of it survived. |
| 8 | The continental agreement is already on annual review | Washington declined to renew it for a further long term earlier this year. The framework that was meant to prevent this is itself unsettled. |
| 9 | Carney calls the measure a miscalculation | He said the duties are designed to hurt and to divide Canadians. It is his sharpest characterisation of American intent to date. |
| 10 | Federal debt has passed forty trillion dollars | The milestone was reached last week and drew fresh attention over the weekend. It is carried here as background rather than as news. |

THE NUMBERS AT A GLANCE · USA & CANADA · SUNDAY, AUGUST 23, 2026

| | | | |
|---|---|---|---|
| **CANADA**<br>Duty in force<br>**50%**<br>from 00:01 Saturday | **CANADA**<br>Goods covered<br>**$20bn**<br>figure now settled | **CANADA**<br>Retaliation<br>**8 Sept**<br>dollar for dollar | **CANADA**<br>Gap before answer<br>**17 days**<br>measure to response |
| **UNITED STATES**<br>Talks held<br>**3 days**<br>ended without a deal | **UNITED STATES**<br>Published text<br>**None**<br>from either government | **UNITED STATES**<br>Federal debt<br>**$40tn**<br>passed last week | **BOTH**<br>Continental pact<br>**Annual**<br>review, not long term |

OUR SIMPLE HEALTH CHECK · USA + CANADA

# How The Countries Are Doing

Our own reading of ten domestic dimensions across the two economies, scored one to five. This is a judgement, not a forecast, and it is not financial advice.

| | POLITICS | BUDGET | MONEY | MARKETS | OUTSIDE | WHAT WE SEE |
|---|---|---|---|---|---|---|
| **Canadian trade policy**<br>**Ottawa** | 5 | 4 | 3 | 4 | 5 | Fifty per cent in force on about twenty billion dollars of goods, with a matching response dated 8 September. |
| **Canadian sovereignty file**<br>**Ottawa** | 4 | 2 | 2 | 3 | 5 | The stated reason for withdrawal was demands touching other trade deals, language and culture rather than any sector. |
| **Canadian metals**<br>**Steel and aluminium** | 4 | 4 | 3 | 4 | 5 | The reported cut to twenty-five per cent died with the talks, and steel now sits on Canada's own retaliation list. |
| **Canadian dairy**<br>**Supply management** | 3 | 3 | 2 | 3 | 4 | Protected in the failed package and now among the goods facing the American duty and named in Canada's response. |
| **Canadian provinces**<br>**The federation** | 4 | 3 | 2 | 3 | 4 | Premiers had agreed to restock American alcohol as part of a deal that no longer exists. |
| **Canadian policy**<br>**Bank of Canada** | 3 | 3 | 3 | 3 | 5 | Decides on 2 September, six days before the Canadian counter-measures are due to apply. |
| **US trade policy**<br>**Washington** | 5 | 3 | 3 | 4 | 4 | Enforcement instructions reached customs officers before negotiators had finished talking. |
| **US public debt**<br>**Treasury** | 3 | 5 | 4 | 4 | 3 | Past forty trillion dollars, carried here as background to a week dominated by trade. |
| **Continental framework**<br>**Both** | 5 | 3 | 3 | 4 | 5 | Already reduced to annual review, and the formal negotiations promised in the failed offer have not begun. |
| **Cross-border supply**<br>**Both** | 4 | 3 | 3 | 4 | 5 | Aerospace coordination and critical minerals cooperation were inside the package that collapsed. |

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Updated Sunday, August 23, 2026.

DEEP DIVE · THE SEVENTEEN DAYS · 04

**WHAT THE GAP BEFORE RETALIATION IS FOR**

# Two Weeks To The Eighth

## Part One · What Actually Happened

American duties applied immediately. Canadian duties apply on 8 September.

That asymmetry is a choice. Ottawa could have matched on the same morning and did not, which leaves seventeen days in which the measures run one way only.

There are two readings and they are not exclusive. One is practical, because importers and provincial agencies need notice, and lists of this kind take time to publish properly.

The other is that the gap is a door. A government that intended to make retaliation permanent would have less reason to date it a fortnight out.

Against that sits the reason given for the collapse. If the sticking point really was Canada's freedom to sign agreements elsewhere, it is not a matter that softens with a fortnight's reflection.

The Bank of Canada meets on 2 September, six days before the counter-measures land. It will have to set policy in the gap, without knowing which way the gap closes.

## Part Two · Three Ways This Can Go

### Possibility A · The counter-measures take effect · 50%

No further talks succeed and Canadian duties apply on 8 September as announced. Both sets run simultaneously and the dispute becomes the ordinary condition of the relationship rather than a crisis.

### Possibility B · Talks resume inside the gap · 35%

The seventeen days are used, a narrower package is agreed, and the Canadian measures are suspended before they apply. This has happened twice already this month with deadlines on the other side.

### Possibility C · Escalation beyond the announced list · 15%

The American side responds to the announced retaliation before it lands, and the dispute widens past the current twenty billion dollars. Energy and potash, so far excluded, would be the visible tell.

| OUTCOME | WHAT IT LOOKS LIKE | WHAT IT MEANS FROM LATIN AMERICA |
|---|---|---|
| Both sets apply | Duties running in both directions from 8 September. | A working demonstration that continental agreements do not prevent unilateral action. |
| Talks resume | Canadian measures suspended and a narrower deal signed. | Confirmation that walking away is itself an effective negotiating position. |
| Escalation | The dispute widens past the current list of goods. | Higher input costs across the hemisphere and a harder environment for every exporter to the American market. |

Chances are Rio Times Intelligence Desk estimates and sum to one hundred. They are a way of ordering possibilities, not financial advice.

**EIGHT THINGS, WITH OUR OWN VIEW**

# Eight Things We Are Watching

Eight things we are watching, with our own view on each. These are opinions from the Rio Times Intelligence Desk and not financial advice.

| WHAT | WHEN | OUR VIEW |
|---|---|---|
| The seventeen-day gap | To 8 September | Retaliation dated a fortnight out is also a fortnight held open. Watch whether anyone uses it. |
| The sovereignty provisions | Unresolved | Carney's stated reason for withdrawal has no published text behind it. Until one appears, the account rests on his characterisation. |
| The Canadian list | 8 September | Steel, dairy, appliances, agricultural equipment, pulp, paper and electronics. Note that dairy appears on both sides now. |
| Energy and potash | Ongoing | Excluded from the American measure so far. Their inclusion would mark real escalation. |
| Bank of Canada | 2 September | Sets policy six days before the counter-measures apply, without knowing whether they will. |
| Provincial alcohol | Days | Premiers had agreed to restock as part of a deal that no longer exists. Whether they proceed anyway is a test of the federation. |
| The continental framework | Ongoing | Already on annual review. The formal negotiations promised in the failed offer have not started. |
| Two incompatible accounts | Ongoing | Ottawa describes last-hour demands, Washington describes walk-backs. Both cannot be complete. |

POWER PLAYERS · 06

**WHO IS DECIDING THIS WEEK**

# Five People Shaping The News

Five people whose decisions this weekend shape what follows. We characterise stances and choices, not private motives.

**Mark Carney** · **Prime Minister of Canada**

Directed his negotiators to withdraw and then announced a matching response dated seventeen days out. He described the American measure as a miscalculation designed to divide Canadians.

**Jamieson Greer** · **United States Trade Representative**

Said Canada declined terms agreed earlier in the week and set out publicly what the offer had contained. Publishing the contents of a failed package is itself a negotiating move.

**Dominic LeBlanc** · **Minister responsible for Canada-US trade**

Ran nine meetings across three weeks and said on Thursday the two sides were very close. The distance between that and Friday night is the story of the file.

**Janice Charette** · **Chief trade negotiator, Canada**

Was in the room for every session including the last. The technical work that defined which sectors were tradeable was hers.

**The provincial premiers** · **Ten provinces**

Agreed within a day to restock American alcohol in support of a deal that then failed. They now hold that concession without the agreement it was meant to buy.

DAILY BRIEFING · 07

**WHAT HAPPENED WHERE**

# The Day, Country By Country

What happened where, in the two countries, over Saturday 22 and Sunday 23 August 2026.

### THE COLLAPSE

Negotiations between the two governments broke down late on Friday, shortly before the midnight deadline. Three days of talks in Washington ended without an agreement.

Duties of fifty per cent took effect at one minute past midnight eastern time on Saturday. They cover roughly twenty billion dollars of Canadian goods.

### WHAT IS COVERED

The measure applies to certain dairy products, alcoholic beverages, cement, building materials, some clothing and hockey equipment. The customs service had already told importers that officers would enforce the rates immediately.

Energy, potash, fish and critical minerals remain outside the measure. Unusually, there is no exemption for goods qualifying under the continental agreement.

### OTTAWA'S ACCOUNT

Carney said American negotiators introduced demands in the final hours that would have restricted Canada's ability to conclude trade agreements with other countries. He said the proposals also touched protections for language and culture.

He described the tariffs as a miscalculation and said they were designed to divide Canadians. He gave no detail on the provisions and no text has been released.

### WASHINGTON'S ACCOUNT

Greer said Canada declined to finalise the deal on terms agreed earlier in the week, citing new demands and commitments being walked back. He said the offer would have given Canada the best treatment of any major exporter.

He said the package included aerospace supply-chain coordination, critical minerals cooperation, enforcement against goods made with forced labour, and the formal opening of continental trade negotiations.

### THE RESPONSE

Canada will impose matching duties from 8 September on steel, dairy, appliances, agricultural equipment, pulp, paper and electronics. Carney said the country would match the American measures dollar for dollar.

That leaves seventeen days between the American measure taking effect and the Canadian answer. No mechanism for further talks has been announced.

### THE BACKDROP

The continental trade agreement was not renewed for a further long term earlier this year and now runs on annual review. The formal negotiations promised in the failed package have not begun.

American federal debt passed forty trillion dollars last week. It is carried here as background to a weekend dominated by the trade file.

CORPORATE PIPELINE · 08

**DEALS, SECTORS AND DATES**

# Pipeline, Sectors, And The Calendar

Deals, sectors and dates that matter to the two economies over the next month.

| WHAT | WHO | WHERE IT STANDS |
|---|---|---|
| American duties | Both governments | In force from 00:01 Saturday on about twenty billion dollars of Canadian goods. |
| Canadian counter-measures | Ottawa | Announced for 8 September on steel, dairy, appliances, agricultural equipment, pulp, paper and electronics. |
| Aerospace coordination | The failed package | Included in the American offer and lost with it. |
| Critical minerals cooperation | The failed package | Also inside the offer Greer described publicly after the collapse. |
| Continental trade negotiations | Both governments | Formal talks were part of the failed offer and have not been scheduled. |

## Sector Watch · Four Things to Track

### Metals

The reported cut to twenty-five per cent died with the talks. Steel now appears on Canada's own retaliation list, which is a full reversal inside two days.

### Dairy

Protected in the failed package and now facing duties from one side while appearing on the other side's list. The most exposed sector in both directions.

### Aerospace

Supply-chain coordination was inside the offer. Its loss matters more over years than over weeks.

### Retail and distribution

Provincial agencies had begun preparing to restock American alcohol for a deal that no longer exists.

## Calendar · Next 30 Days

| DATE | WHAT |
|---|---|
| 23 August | Duties in force. No further talks announced by either government. |
| 26 August | American house price index, new home sales and consumer confidence. |
| 28 August | Canadian second-quarter output and June monthly output. |
| 2 September | Bank of Canada decision, six days before the counter-measures apply. |
| 8 September | Canadian matching duties take effect unless suspended. |
| 15-16 September | Federal Reserve meeting, after a nine to three July vote. |

BOTTOM LINE · SOURCES · 09

**WHAT THE DAY ADDS UP TO**

# What The Weekend Tells Us

On Friday this brief described a country that had published a ranked list of what it would trade. The weekend added the more important half of that picture.

Under the list there was a line, and the line was not drawn around an industry. By Carney's account it was drawn around the right to sign agreements with other countries and around language and culture.

We cannot verify that account, because no text exists and Washington describes the same room differently. What can be observed is the behaviour, and the behaviour was to walk out of a deal three weeks in the making.

The seventeen days before the Canadian response is the number to hold onto. Immediate duties answered by dated ones is not symmetry, it is a door left ajar by a government that has just slammed a different one.

For Latin American readers the lesson has changed since Friday. It is no longer only that a middle power reveals its hierarchy under pressure, but that the bottom of the hierarchy is where the real position turns out to be.

| | DETAIL |
|---|---|
| PRIMARY | Statement by Prime Minister Mark Carney, Ottawa, 22 August 2026. Statement by United States Trade Representative Jamieson Greer, 22 August 2026. US Customs and Border Protection notice to importers, 21 August 2026. |
| REPORTING | CBC News, NPR, CNN, NBC News, Al Jazeera, CNBC, Euronews · 21-23 August 2026. |
| LANGUAGES | English and Canadian French. |
| VERIFICATION NOTE | The volume of goods covered was reported on 21 August as both twenty and twenty-eight billion dollars. Accounts published on and after the day the measure took effect consistently use approximately twenty billion, and we have adopted that figure while recording the earlier discrepancy. The characterisation of last-hour American demands regarding other trade agreements, language and culture is the Canadian prime minister's own and is not supported by any published text; the American account differs materially and both are reported here as claims. |
| RESOLVED | Our 21 August dossier put the chance that the duty would actually apply at twenty per cent, the lowest of the three branches. It applied. |
| EXCLUDED | No sport and no conflict coverage. |
| SKIPPED | Markets were closed across the weekend, so no index levels are carried in this edition. |

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