

## □ **TARIFFS AND TEETH**



Donald Trump is once again the President of the United States.

Last night, he reiterated his intent to sign an executive order imposing 25% tariffs on goods imported from Canada by American firms.

Let us be clear: a tariff is not just a policy—it is a tax. Specifically, an import tax.

While Canada may retaliate with its own tariffs, such measures would amount to little more than a symbolic gesture. Retaliation will prove futile.

This development is undeniably unwelcome news for the Canadian economy.

### **Here is the chain reaction:**

1. Canadian manufacturers that export to the U.S. will feel the brunt of this policy.
2. Canadian employers, facing reduced demand from their U.S. customers who refuse to bear the cost of the tariff, will scale back production.
3. Canadians in export-driven industries—particularly manufacturing—will lose jobs.



4. This will halt any potential decline in Canadian interest rates and may even push borrowing costs higher for the Canadian government, which is already heavily reliant on foreign investors holding its bonds.

### **The ripple effects will be profound:**

1. Near-term job losses in Canadian sectors dependent on U.S. exports.
2. With jobs gone, many workers will lose dental benefits.
3. Dental offices, in turn, will see a decline in appointments.
4. Fewer appointments mean reduced hours for dental staff, leading to declining incomes for practices.

Prepare yourself for the impact and take immediate and decisive action to curtail excess spending—both in your dental practice and in your personal life.

If you have a 6-to-12-month emergency cash reserve, you may weather this storm. However, if you are living paycheck to paycheck, this economic downturn could spell disaster. Using credit to survive an extended recession is a perilous gamble.

The hard truth is that many dental professionals are unprepared for prolonged periods of reduced production. Some may find themselves with negative equity in their practices. Others could face negative amortization as banks extend repayment terms to provide temporary relief.

Govern yourself accordingly. The tough times are coming, and they will not be fleeting.

I predict this economic turbulence will last at least three to five years. It is not a passing phase but a long, grinding cycle of economic adjustment.

If you require urgent guidance on reducing overhead or shoring up your financial stability, reach out immediately.

Publisher



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