

Canada

Mark Carney says old Canada-US relationship is 'over'

Prime minister vows there will be a 'renegotiation' of the two allies' trade agreement in the face of Donald Trump's hostility

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Canadian Prime Minister Mark Carney says old relationship with the US is 'over' © Canadian Broadcasting Corporation / Reuters

Prime Minister Mark Carney said on Thursday that Canada's old relationship with the US was "over" and vowed that there would be a "broad renegotiation" of the trade agreement between the countries.

Speaking in Ottawa after meeting the nation's provincial premiers, [Carney](#) said the tariffs imposed by US President Donald Trump would force Canada to rethink and reshape its economy and seek "reliable" trading partners.

"The old relationship we had with the United States, based on deepening integration of our economies and tight security and military co-operations, is over," he told reporters.

"The time will come for a broad renegotiation of our security and trade relationship."

Carney's comments appear to call into question the future of the USMCA, which was [negotiated](#) between the two countries and Mexico during the previous Trump administration and has been hailed as one of the world's most important trade deals.

Carney said Canada would fight [American tariffs](#) with retaliatory trade actions of its own “that will have maximum impact in the US and minimum impacts in Canada”.

On Wednesday Trump said the US would [impose a 25 per cent tariff](#) on imports of foreign-made cars in a move he said was intended to boost the US auto industry.

While USMCA-compliant components are temporarily exempt from the tariffs, the levy could have a big impact on the Canadian economy.

Trump’s tariffs are intended to boost US industry, but shares in General Motors fell 7.4 per cent on Thursday. Shares in Ford, which manufactures fewer vehicles in Mexico and Canada than its rival, were down 3.9 per cent.

Earlier this month Trump offered a reprieve to Canadian and Mexican carmakers when he [temporarily exempted](#) all goods that complied with the USMCA from new tariffs.

“We will fight back with everything we have to get the best deal for Canada. We will build an independent future for our country, stronger than ever,” Carney said.

The prime minister said the Canadian economy and its supply chains in critical sectors such as the auto industry would have to fundamentally change to insulate themselves from further tariffs and US hostility.

“We are gonna have to do some things very differently,” he said.

Tiff Macklem, governor of the Bank of Canada, has said US tariffs would probably put Canada in a recession and a “new crisis” was looming because of the trade war with the US.

“Depending on the extent and duration of the US tariffs the economic impact could be severe; the uncertainty alone is already causing harm,” he said earlier this month as he announced another cut to interest rates.

Carney said Canada’s auto sector could survive Trump’s tariffs but would require “access to other markets”, and the country needed to “reimagine the auto sector and rebuild [and] retool”.

He recently travelled to London and Paris, his first trip as prime minister, in a bid to beef up trade with other partners in the wake of US hostilities.

Carney, who is in the middle of a national election campaign ahead of a vote on April 28, said he would speak to Trump in “the next day or two”.

Some Canadian cabinet members could also head to Washington to meet their counterparts, he said.

He added that the US president’s tariffs would “end up hurting American workers and American consumers”.

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