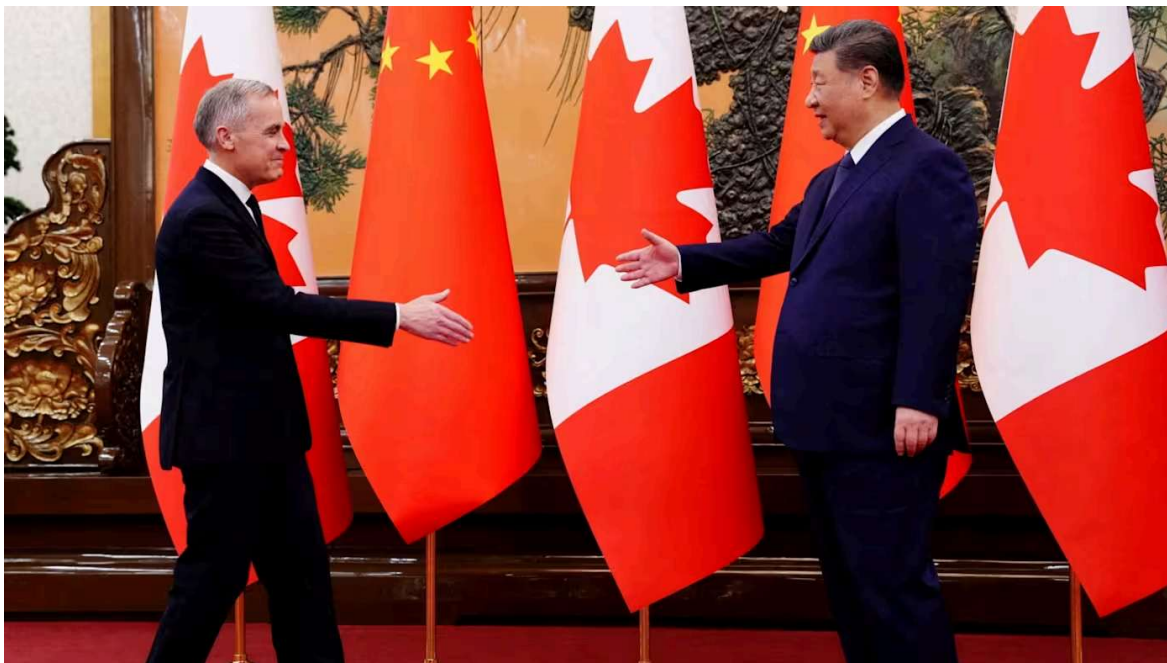


## Trump tariffs

### Trump threatens 100% tariffs on Canada if it seals trade deal with China

North American tensions resurface after Mark Carney warned of ‘rupture’ in global order at Davos



Ottawa and Beijing agreed to remove trade barriers on electric vehicles and canola after Mark Carney met Xi Jinping © via Reuters

**Ilya Gridneff** in Toronto, **Myles McCormick**, **Aime Williams** and **Demetri Sevastopulo** in Washington

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Donald Trump has threatened to impose 100 per cent tariffs on Canada if it secures a trade deal with China just days after Mark Carney suggested the US was “rupturing” the world order.

In a post on Truth Social on Saturday, the US president accused the Canadian prime minister of trying to make Canada a “drop off port” for Chinese goods. Trump threatened to reignite a trade war after months of détente.

Canada and China agreed to remove trade barriers on electric vehicles and canola after Carney met Xi Jinping in Beijing last week on a visit that was partly designed to help Ottawa diversify its trade relationships.

Trump initially encouraged Carney to improve economic relations with China, saying: “If you can get a deal with China, you should do that.” On Saturday, however, he adopted a new tone in his post on Truth Social.

“If Governor Carney thinks he is going to make Canada a drop off port for China to send goods and products into the United States he is sorely mistaken,” Trump wrote, using a title he uses to goad Canadian leaders.

“If Canada makes a deal with China, it will immediately be hit with a 100 per cent tariffs against all Canadian goods and products.”

In response Dominic LeBlanc, the Canadian minister responsible for Canada-US trade, said on X that “there is no pursuit of a free trade deal with China”.

“What was achieved was resolution on several important tariff issues,” he wrote. “Canada and the US have built a remarkable partnership in our economy and security — and we will remain focused on ensuring the future of that relationship will benefit workers and businesses on both sides of our border.”

Trump’s threats follow a tumultuous week in which he warned that he would impose steep tariffs on European countries over Greenland before backing down.

That reversal followed a pattern that has played out over the first year of his presidency, in which he threatens punitive tariffs — often when financial markets are closed — before offering significant exemptions, suspensions or completely backing off.

Early in his term, he warned that would impose big levies on Canada and Mexico before offering exemptions that allowed most trade avoid the tariffs.

The new threat comes four months after Trump met Xi in South Korea and negotiated a truce in the US-China trade war. He is expected to visit China in April and is hoping to reach another trade deal with the Chinese leader.

It also follows tensions between Trump and Carney at [Davos](#). The Canadian leader won praise for a speech arguing that the rules-based international order was [undergoing a “rupture”](#). Carney did not mention Trump by name, but the speech was widely seen as a rebuke of the US president’s erratic behaviour, including seeking to buy Greenland from Nato ally Denmark.

Trump hit back at the World Economic Forum, saying: “Canada lives because of the United States. Remember that, Mark, the next time you make your statements.”

In a break with the US, which has in effect blocked imports of Chinese electric vehicles using tariffs, Canada agreed to accept imports of 49,000 Chinese electric cars with a 6.1 per cent tariff, down from 100 per cent.

The decision could blow up trade talks between the US and Canada as part of their review of the 2020 USMCA trade deal, which also includes Mexico. The US is concerned that Chinese companies are using Mexico as a base to export into the US, securing lower tariffs.

Carney, the first Canadian prime minister to visit Beijing in almost a decade, is [turning to the world’s second-largest economy](#) as part of an effort to double exports to non-US partners over the next decade.

Other US officials criticised Canada at Davos. Commerce secretary Howard Lutnick said Canada should not engage with China while Treasury secretary Scott Bessent raised Alberta’s referendum push to break away from Canada.

“Albertans are very independent people,” Bessent said. “Rumours that they may have a referendum on whether they want to stay in Canada or not,” he said. “People want sovereignty. They want what the US has got.”

“There are lines that are being crossed here,” said Goldy Hyder, president of the Business Council of Canada. “We need our leaders to de-escalate this situation.”

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