



By: TA | AP Insight

Canada's tariffs take effect as it seeks closer EU ties



Canadian Prime Minister Mark Carney said Tuesday that Canada would move faster to reduce its economic reliance on the United States and deepen ties with Europe as retaliatory tariffs took effect on about **\$20 billion** worth of U.S. goods and the country braced for U.S. President Donald Trump's response.

"In too many areas, they wanted dependency, not a true economic partnership," Carney said in a prerecorded video outlining his government's plan to withstand the trade war.

The prime minister said four decades of deeper economic integration had left Canada too reliant on the U.S.

Canada is exploring ties with the European Union that could stop just short of membership, a Canadian official familiar with the discussions said.

Options could include expanding existing agreements, negotiating a new treaty or creating other forms of cooperation.

The official said Canada is already consulting provinces, territories and labor groups about what a **deeper relationship** with the EU could look like, but no model has been chosen.

The official spoke on condition of anonymity because they were not authorized to discuss the talks publicly.

Carney is due in Strasbourg, France, next week, where he will attend European Commission President Ursula von der Leyen's State of the European Union address Sept. 16 and address the European Parliament the following day.

The rupture has upended one of the world's closest relationships. The countries have deeply integrated economies and close defense and security ties, but Trump has imposed a series of tariffs on Canadian goods despite negotiating and repeatedly praising the North American trade agreement during his first term. Many of those tariffs violate the pact.

Canada looks beyond the US

Carney acknowledged the trade actions would cause short-term pain but said they would push Canada to move faster on investment, infrastructure and trade diversification. He said the shift would be costly but standing still would cost more.

Carney contrasted Canada's deteriorating relationship with Washington with its push to deepen ties elsewhere. "For the past year and a half, we have been steering our economy toward trusted partners," he said.

More than 70% of Canadian exports still go to the United States

"It was easy business, but it meant we relied too much on one economic partner," he said. "That time is over."

More than 70% of Canadian exports still go to the United States, underscoring the scale of Carney's push to diversify trade. He said Canada's exports to other countries are rising sharply and are on track to double over the next decade.

Canada retaliates as Trump response looms

Carney defended the **retaliation**, saying Canada was matching the latest U.S. measures dollar for dollar while supporting affected workers and industries and accelerating efforts to expand trade with other countries.

"We can't let American goods into Canada tariff-free while they charge our companies to export to them," he said.

Canada was not seeking to escalate the **confrontation**, he said, but the tariffs were necessary to protect Canadian workers.

The prime minister also defended Canada's decision to walk away from the talks, saying

Washington sought limits on French-language and cultural protections, influence over future trade deals, and terms that would weaken the auto, steel and forestry sectors.



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How the trade war ends could carry consequences far beyond Canada, testing whether a smaller U.S. ally can resist Trump's economic pressure without being forced to yield.

U.S. Trade Representative Jamieson Greer has suggested Washington could retaliate by blocking some Canadian products from the U.S. market.

The Canadian official said Ottawa does not intend to change course regardless of whether Trump responds with nothing or what the official called a "nuclear response." The government's strategy will remain focused on building more at home and diversifying trade abroad, the official said.

The tariffs hit hundreds of American products, including steel, aluminum, cheese, appliances, clothing, cosmetics and farm equipment, at rates of 15%, 25% or 50%. They cover about \$20 billion in American goods, roughly 6% of the \$333.6 billion the United States exported to Canada last year.

Since Canada-U.S. trade talks collapsed Aug. 21, Trump and his administration have imposed additional tariffs and issued a series of threats and attacks portraying Canada as weak and dependent.

Trump's trade war and repeated talk of making Canada the 51st state have fueled anger and rallied support for Carney. Canadians have sharply cut **travel to the United States** and boycotted U.S. goods.

Carney praised those efforts, saying "every time we choose to buy Canadian and travel in Canada, we are sending a message that nobody is in the stands, 40 million of us are on the ice."

British Columbia Premier David Eby said the province will install new signs at U.S. border crossings reading: "Welcome to British Columbia, Canada. Strong, proud and will NEVER be the 51st state. Sorry!"

"While our kindness is one of our greatest strengths, you should never, ever mistake that kindness for weakness," Eby said.

Neither side is rushing back to the table

Gabriel Brunet, a spokesman for Canada-U.S. Trade Minister Dominic LeBlanc, said officials from both countries remain in contact even though formal negotiations have not resumed.

Former U.S. trade official Wendy Cutler said neither side appeared eager to make the first move.

"With a growing public approval rating now topping 70%, Prime Minister Carney is not in any hurry to reach out to Washington. But importantly, he has not closed the door to talks," she said. "Clearly, at this point each side does not want to look too anxious to reengage in fear of looking weak."