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### Trump's tariffs escalate trade war as China and Canada retaliate

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- by Shipping Telegraph

**United States President Donald Trump's new 25% tariffs on imports from Mexico and Canada have taken effect, launching new trade conflicts with the top two US trading partners. After days of suspense, Trump's 25% tariffs on Canada and Mexico and 20% tariff on Chinese goods came into effect on Tuesday.**

Canadian Prime Minister Justin Trudeau announced 25% tariffs on American goods in response to President Donald Trump's tariffs that are going into effect on Canadian imports.

Canada will slap 25% tariffs on \$155bn worth of U.S. goods – starting with tariffs on \$30bn worth of goods immediately, while tariffs on the remaining \$125bn on American products will come into effect in 21 days' time.

Trudeau said Tuesday "there is no justification for these actions," pointing to the White House's argument that the flow of drugs, including fentanyl, into the U.S. warranted the tariffs on Canada, Mexico and China, though the amount of fentanyl coming across the border is very low.

"Our tariffs will remain in place until the U.S. trade action is withdrawn, and should U.S. tariffs not cease, we are in active and ongoing discussions with provinces and territories to pursue several non-tariff measures," Trudeau added.

Canada is a top customer for U.S. goods and services exports and a critical supplier of goods and services. According to the most recent official trade figures from the Canadian government, every day over \$2.5bn worth of goods and services crosses the border.

The tariffs came even as Canada and Mexico had entered into trade talks with the United States and taken actions to curb illegal immigration and to stop the flow of fentanyl – Trump’s stated reason to impose tariffs was the failure of these countries to stop the flow of illegal immigrants and fentanyl into the United States.

“While President Trump gave both Canada and Mexico ample opportunity to curb the dangerous cartel activity and influx of lethal drugs flowing into our country, they have failed to adequately address the situation,” the White House said in a statement.

Chinese Foreign Ministry spokesperson Lin Jian urged Washington to abandon its “tactics” and return to the table for good faith dialogue and cooperation.

“The U.S. once again uses the fentanyl issue as a pretext to threaten China with tariff hikes on its imports. China opposes this move and will do what is necessary to firmly safeguard its legitimate interests.”

Lin Jian stressed that trade and tariff wars have no winners. China has accused the White House for “pressuring, coercion and threat,” saying it has some of the world’s toughest anti-drug policies.

Chinese Foreign Ministry also accused the United States of violating the WTO rules, mentioning that the unilateral tariff hikes by the U.S. “harm the interests of both countries and the world.”

Trump has long praised tariffs as effective economic policy. Recently, Trump in one of his speeches called “tariff” the fourth-most beautiful word in the dictionary, behind “God,” “love” and “religion.”

The new tariffs, set to take effect Tuesday, would mark a drastic turning point in the relationships between the U.S. and its top three trading partners.

Trump said in a post to U.S. farmers on Truth Social Monday: “To the Great Farmers of the United States: Get ready to start making a lot of agricultural product to be sold INSIDE of the United States. Tariffs will go on external product on April 2nd. Have fun!” he wrote.

The Marseille-based liner giant CMA CGM pointed to worries that higher tariffs announced in the United States could have an impact on trade and lead to a reorganization of global supply chains in the medium term.

Trudeau also warned that because of the tariffs imposed by the U.S., Americans will pay more for groceries, gas, and cars, and potentially lose thousands of jobs. “Tariffs will disrupt an incredibly successful trading relationship,” he said.