

Trade War Heats Up After Trump Orders Tariffs and Canada Retaliates

Amid warnings of price increases, Canada moved quickly to retaliate, China said it had planned countermeasures and Mexico said it would soon unveil its response.

**By Matina Stevis-Gridneff, Keith Bradsher and Susan Hopkins
New York Times**

The United States and its biggest trading partners were hurtling on Sunday into a new era of protectionism as Canada, Mexico and China said they would adopt countermeasures against new tariffs levied by President Trump.

From honey to tomatoes, and from clothes to toilet bowls, a wide range of American goods that cross the border into Canada, worth more than \$100 billion, will soon be hit with a 25 percent tariff.

“We don’t want to be here,” Prime Minister Justin Trudeau said in a somber televised address from Ottawa on Saturday night in which he spoke of the deep bonds between the neighbors. “We didn’t ask for this.”

On Sunday, China said it would “take corresponding countermeasures to firmly safeguard its rights and interests.” It also said it would take legal action at the World Trade Organization.

And in [a video](#) released on Sunday, President Claudia Sheinbaum of Mexico said that she would unveil the first steps of her government’s so-called Plan B plan on Monday if an agreement with the United States could not be reached. Ms. Sheinbaum earlier warned of retaliatory “tariff and nontariff measures.”

The policy announced by Mr. Trump on Saturday hit Canada and Mexico with tariffs of 25 percent on all goods, with a carve-out for Canadian energy and oil exports. Those are to be taxed at 10 percent. He also placed a 10 percent tariff on Chinese goods.

He also ordered an end to the ability of Americans to buy up to \$800 of goods per day from each country without paying tariffs. It was a blow to the giant businesses that online companies like Temu and Shein have built by shipping directly from factories in China to American homes, bypassing American retailers.

The levies are to go into effect just after midnight on Tuesday and will be added on top of existing tariffs. The removal of duty-free treatment for small shipments from all three countries means that their buyers will have to start paying not only the new tariffs but all the other many tariffs that have accumulated over the years on clothing and other consumer goods.

Mr. Trump defended the tariffs on Sunday, while acknowledging that they could have repercussions. “Will there be some pain? Yes, maybe (and maybe not!),” he said in an early-morning social media post.

Mr. Trump has said that the tariffs are intended to reduce the flow of the deadly opioid fentanyl over the border, as well as of migrants. (The traffic of both people and illegal drugs from Canada is, however, very small.) If there is economic pain, he suggested, it will be worth it.

When Mr. Trump imposed tariffs on China during his first term in the White House, some studies found that part of the cost was passed on to American consumers. Suppliers in China also cut their prices in many cases to offset part of the cost of the tariffs.

Most Republicans in Congress have stayed silent or praised Mr. Trump’s tariffs, even as their constituents express anxiety about rising prices.

Senator Rand Paul of Kentucky, the rare Republican who regularly criticizes the president, was once again an exception. “Tariffs are simply taxes,” he said on social media. “Conservatives once united against new taxes. Taxing trade will mean less trade and higher prices.”

If other Republicans share Mr. Paul’s belief that the economy may take a hit, they kept it to themselves.

“Ohio is open for business and will roll out the red carpet for any company manufacturing in America!” Senator Bernie Moreno, Republican of Ohio, wrote on social media.

Party leaders, too, were falling into line.

“I support what the president’s doing,” the No. 2 Republican in the Senate, John Barrasso of Wyoming, said Sunday on Fox News. “We need to get rid of the fentanyl. We need to tell China as well as Mexico as well as Canada to get the fentanyl out of our country.”

Democrats spent the weekend hammering the message that Mr. Trump was responsible for making life in America more expensive.

“In one reckless move,” said Representative Gabe Vasquez, Democrat of New Mexico, “the president just raised the price you pay for gas, the truck you drive to work, a

computer for your small business and everything at the grocery store, from avocados to tequila.”

It was uncertain how much success China might find at the World Trade Organization, which has lost much of its ability to handle such legal challenges since the United States began blocking the appointment of judges to it in Mr. Trump’s first term. The W.T.O.’s appellate body lost judges as their terms expired and has not been able to form a quorum to hear cases since the end of 2019.

The organization can still form panels to compile reports on the merits of cases, but reports can no longer go to the appellate body for a legally binding decision.

When Mr. Trump imposed tariffs on Chinese goods during his first term, China responded each time with tariffs on American exports, but because China sells far more to the United States than it buys, it quickly ran out of goods to put tariffs on.

Last month, American law enforcement officials called for an end to the duty-free shipments from China, which they blamed for allowing considerable quantities of fentanyl and related supplies into the United States because the shipments receive little or no inspection by customs agents.

In a statement on Sunday, China’s Ministry of Commerce urged the United States to “view and handle its fentanyl and other issues in an objective and rational manner, rather than threatening other countries with tariffs.” The Foreign Ministry defended China’s record on the issue, saying it had led the world when it imposed stringent regulations on fentanyl-related substances in 2019.

The true cause of the epidemic of fentanyl deaths in the United States, China has argued, is an American failure to curb drug addiction, not the large-scale production or export by China of chemicals used mainly by illegal labs in Mexico to make the drug.

Ms. Sheinbaum, the Mexican president, took a similar stance on Sunday.

“If they want to act,” she said, “they should not set their sights on Mexico, but on their own country, where they have done nothing to stop the illegal sale of this and other drugs.”

Ms. Sheinbaum said she was still awaiting Mr. Trump’s response to her offer to establish a working group of security and health officials from both countries to tackle the fentanyl problem.

In announcing the new Canadian tariffs on Saturday, Mr. Trudeau addressed Americans directly, saying that the U.S. tariffs on Canadian goods would harm them, too.

“This is a choice that, yes, will harm Canadians, but beyond that, it will have real consequences for you, the American people,” he said. “As I have consistently said:

Tariffs against Canada will put your jobs at risk, potentially shutting down American auto assembly plants and other manufacturing facilities.”

The Canadian provinces of Ontario and Nova Scotia announced that they would pull American, beer, wine and spirits from government-owned liquor stores. The Liquor Control Board of Ontario imports about 1 billion Canadian dollars — about \$690 million — worth of U.S. products each year.

One Canadian province took a more targeted approach, singling out areas of the United States where support for Mr. Trump’s policies has been especially strong.

In British Columbia, the premier, David Eby, announced that the province would stop sales of alcohol produced in “red states.”

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