

Trudeau's counter measures force Trump to put tariffs on hold

By Nate Smelle

In a last-minute breakthrough, U.S. President Donald Trump has temporarily backed away from his plan to impose tariffs on Canada. The decision comes after Canadian Prime Minister Justin Trudeau announced a series of strategically selected tariffs on American goods on Saturday evening, as well as several commitments to strengthen border security promised over the phone late Monday afternoon.

For at least the next 30 days, Canadian businesses and workers will not be forced to deal with the fallout from the 25 per cent tariffs which Trump threatened to impose. However, Trump still expects a final economic deal with Canada in the future, leaving uncertainty about what comes next.

It appears that Trump started to reconsider picking a fight with Canadians following an announcement by Trudeau on the evening of Saturday, Feb. 1, indicating that Canada was going to launch a series of retaliatory tariffs impacting \$155 billion in U.S. goods.

The goods targeted by Canada's tariffs span a variety of industries, including beer, bourbon, fruits, vegetables, clothing, appliances, lumber, plastics, and furniture.

The concessions made by Trudeau late in the afternoon of Feb. 3 included a \$1.3-billion border security initiative aimed at addressing U.S. concerns over illegal drugs and immigration crossing the Canada/U.S. border. The plan includes deploying new helicopters, advanced technology, and additional personnel at the border. Trudeau also announced that 10,000 front-line personnel will be stationed along the 49th parallel as part of the effort.

In addition, Trudeau pledged to appoint a new 'fentanyl czar' to tackle the opioid crisis, despite the fact that only less than one per cent of illegal drugs and undocumented migrants entering the U.S. cross the Canada/U.S. border each year. He also committed to designating Mexican cartels 'one of the primary sources of fentanyl and other illicit drugs in North America' as terrorist organizations under Canadian law.

Additionally, the prime minister unveiled the creation of a Canada-U.S. Joint Strike Force, a new initiative focused on combating organized crime and money laundering. Canada has pledged \$200 million to launch the task force, which will involve close cooperation between law enforcement agencies from both nations.

The agreement marks a temporary de-escalation in trade tensions, but the future of U.S.-Canada economic relations remains uncertain. Trump's warning about a long-term deal suggests that negotiations may continue, and further demands from Washington could be on the horizon.

For now, the deal spares both economies from the potential fallout of a full-scale trade dispute, but businesses on both sides of the border will be watching closely to see what comes next.