

## Trump and Carney Prepare for Tariff Negotiations

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**WASHINGTON, D.C.** Canada's federal trade minister says high-level negotiations between Canadian Prime Minister Mark Carney and U.S. President Donald Trump could take place soon, following the White House's decision to impose a 35% tariff on Canadian exports not covered by the US-Mexico-Canada Agreement (USMCA).

Dominic LeBlanc, Canada's Minister of Intergovernmental Affairs and the official overseeing Canada-U.S. trade coordination, expressed optimism on Sunday that a deal may be possible. In an interview with *CBS News*, LeBlanc stated, "I believe there is an option of striking a deal that will bring down tariffs."

The new tariffs, announced last week through an executive order signed by President Trump, apply to goods outside the USMCA framework. The move was justified on grounds of national security and an effort to combat fentanyl smuggling, which the administration says has been exacerbated by porous trade routes.

LeBlanc indicated that a bilateral conversation between Carney and Trump may take place "over the next number of days." While the Canadian government has expressed concern over the scale of the new duties, it has so far opted for continued dialogue rather than escalating the dispute further.

The sudden increase in tariffs has placed significant strain on Canadian exporters, particularly in sectors like lumber, steel, and automotive manufacturing. While the USMCA continues to govern the majority of North American trade, the latest tariffs bypass that agreement and apply to a broader range of goods.

Manufacturers with facilities in Ontario, such as Honda and General Motors, are among the companies impacted. Ottawa has responded by introducing exemptions for certain critical imports used in healthcare and industrial production. These measures aim to cushion the blow, but economic analysts suggest they offer only limited relief.

U.S. Commerce Secretary Howard Lutnick suggested that the administration may consider a rollback of the new tariff rate if Canada softens its retaliatory stance. Earlier this year, the Trudeau administration imposed roughly C\$30 billion in countermeasures on U.S. goods, including food, consumer products, and industrial materials.

Although the Carney government scaled back some of these in April, many remain in place. Canada has also allowed a significant portion of American goods to continue entering the country without additional tariffs, a policy some observers say weakens Ottawa's leverage at the negotiating table.

Trump's economic strategy has consistently emphasised trade renegotiation and assertive use of tariffs to protect U.S. industry. With an election on the horizon, the administration is

expected to maintain this posture. For Canada, the challenge will be securing exemptions or reductions without escalating tensions further.

Both countries now appear poised for a new round of talks, and while no date has been confirmed, officials on both sides have acknowledged the urgency.