

**Canada**

## Canada should respond to Trump with tariffs on Musk's Teslas, Freeland says

Former finance minister says Ottawa must target US president's 'billionaire buddies'



Chrystia Freeland said targeting Trump's 'billionaire buddies' is the best strategy to protect Canadian interests © Bloomberg

**Ilya Gridneff** in Toronto YESTERDAY

Canada's former finance minister Chrystia Freeland has said Ottawa should retaliate to any US tariffs by adding huge levies on Tesla vehicles to punish Elon Musk, one of Donald Trump's "billionaire buddies".

[Freeland](#), who is running to replace Justin Trudeau as prime minister, called for a swift, punitive reaction by Ottawa if the US president follows through on his threat to impose 25 per cent tariffs on [Canada](#) and Mexico starting this weekend.

"Canada must threaten to impose a 100 per cent tariff on all Tesla vehicles and a 100 per cent tariff on US wine, beer and spirits if unfair tariffs are imposed on Canadians," Freeland said on Friday.

The comments from one of Canada's most important politicians mark a sharp escalation in the trade dispute with Washington, which blew into the open after Trump said he would impose tariffs on the US's two biggest trading partners from February 1.

The White House on Friday reiterated its plan to impose the tariffs starting on Saturday.

Trudeau also on Friday said Canada was ready to retaliate against the US: “We’re ready with a response — a purposeful, forceful but reasonable, immediate response,” he said, as he warned Canadians, “our nation could be facing difficult times in the coming days and weeks”.

Freeland, who was part of the Canadian team that negotiated the US-Mexico-Canada trade deal signed by Trump during his first presidency, said releasing a targeted list of potential retaliatory tariffs on \$200bn worth of American imports would show where “we can hit Trump where it hurts”.

“By targeting products from Republican states that voted for Trump and products made by his billionaire buddies, Canada can exert unavoidable political pressure on the White House,” she said.

Canada previously imposed 100 per cent tariffs on Chinese electric vehicle imports, in a move that followed similar levies on Chinese EVs announced by Joe Biden’s administration.

Freeland’s comments also came as Mélanie Joly, Canada’s foreign minister, held last-gasp talks in Washington to try to avert Trump’s tariffs.

Joly used a [Financial Times interview](#) on Friday to warn the US that any disruption to energy flows between Canada and its southern neighbours triggered by a trade war would leave American oil refiners dependent on alternative heat oil supplies from Venezuela.

Joly also vowed Canada would never become a “colony”, in a reference to Trump’s claims that Canadians would like to join the US and his repeated goading of Trudeau, who he has called a “governor” of the “51st state”.

Canada and Mexico have [drawn up lists](#) of “tit for tat” tariffs to issue against the US as soon as Trump imposes tariffs.

Mexico’s left-wing president Claudia Sheinbaum said earlier this week that she did not think the 25 per cent tariffs would happen on Saturday, but on Friday said the government was planning for different scenarios.

“We have a plan A, plan B and a plan C, whatever the United States government decides,” she said on Friday morning.

Dan Kelly, president of the Canadian Federation of Independent Business, said a tariff war would be a huge concern for small Canadian businesses as more than half their members import goods from the US.

“Trump’s new best friend is Elon and targeting these type of people close to the president might add pressure but, overall we are urging caution with retaliatory measures,” he said.

Tiff Macklem, governor of the Bank of Canada, on Wednesday said US tariffs would likely put Canada in a recession and also raise consumer prices in the US.

The Canadian dollar and Mexican peso rose against the US dollar on Friday after reports that Trump may push back the implementation of any new tariffs to March.

*Additional reporting by Christine Murray in Mexico City*

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