

Canada is holding off on its plan to double retaliatory tariffs on U.S. steel and aluminum, following a late-breaking move by President Donald Trump to extend the deadline for critical trade negotiations between the two nations.

Originally scheduled to raise tariffs from 25 to 50 percent on July 21, the Canadian government has shifted course after receiving a letter from Trump offering an extension — but also warning of possible escalations. The new deadline for negotiations is now August 1.

Two senior Canadian government officials confirmed that no additional tariffs will be levied for now, as both sides aim to finalize a new economic and security agreement. Canada's current 25 percent countertariff on U.S. metals will remain in place during this window.

Trump's letter, addressed to Prime Minister Mark Carney and delivered Thursday, outlined a potential 35 percent blanket tariff on Canadian imports beginning next month if talks fail. A White House official indicated that such tariffs would target goods not in compliance with the 2020 United States-Mexico-Canada Agreement (USMCA), though final decisions rest with the president.

Despite Trump's sharp tone, Canadian officials seemed unfazed. "Everything is pushed back to Aug. 1," one government source told *POLITICO*. The prime minister, currently vacationing in the Ottawa region, did not speak directly with Trump but was briefed after top-level officials from both governments met Thursday.

"On we go!" said a Canadian diplomat familiar with the talks.

This marks the second extension to the negotiations. The original deadline was July 16, set during the G7 Leaders' Summit, before being pushed to July 21. Now, Canada has less than three weeks to avoid a potential trade war escalation.

Carney emphasized Canada's commitment to defending its workers and industries.

"Throughout the current trade negotiations with the United States, the Canadian government has steadfastly defended our workers and businesses," he wrote on X (formerly Twitter).

The prime minister is expected to meet with his Cabinet on Tuesday and will sit down with provincial premiers the following day to discuss next steps.

Ontario Premier Doug Ford voiced concern over Trump's latest warning, calling for national unity. "In the face of President Trump's latest threat, we need to come together. We need a plan on how Canada will respond and how we'll protect our workers, businesses and communities," he said on X.

Trump has justified his latest tariff threat by citing drug trafficking concerns, particularly fentanyl, despite U.S. data showing less than 0.1 percent of the drug seized at the American border comes from Canada. He also revived long-standing complaints about Canada's dairy quotas — which the U.S. dairy industry itself admits are rarely exceeded.

In British Columbia, Premier David Eby didn't hold back. He blasted Trump's letter as "flailing and factually incorrect," adding, "Other F words come to mind."

As both countries prepare for the August 1 deadline, political leaders across Canada are signaling a clear message: despite the pressure, Ottawa will not back down easily.