



Trump's tariffs on Canada would be a big challenge for Americans, says ambassador

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Obed Manuel



A motorist fills up the tank of a vehicle at a Costco warehouse Tuesday, Nov. 19, 2024, in Lone Tree, Colo.

David Zalubowski/AP

Canada would like a word with Americans.

The United States' northern neighbour was an ally in two World Wars, a friend that famously rescued Americans trapped in Iran and one of the country's largest trading partners.

It's also one of the countries President Trump threatened with a 25% tariff on imports, which he said would go into effect Feb. 1.

"We don't need them to make our cars and they make a lot of them. We don't need their lumber because we have our own forests," Trump said at the World Economic Forum last week. "We don't need their oil and gas. We have more than anybody."

Still, Canada [accounts for about 60%](#) of the U.S.' crude oil imports and experts believe tariffs could cost U.S. consumers; one estimate shows this could translate to an increase as high as a [70 cents per gallon at the pump](#) in certain parts of the country.

One of the things Trump called on Canada to do was crackdown on its border security, which it did with a nearly billion-dollar plan to address an [increase of migrants](#) crossing south into the U.S.

But Trump has not backed off his tariffs pledge, setting the stage for a possible trade war between both countries. It remained unclear whether the tariffs would apply to crude oil, when [Trump told reporters](#) Thursday night he "may or may not" apply them.



BUSINESS

Businesses, shoppers brace for higher prices if tariffs on Mexico and Canada imports start Saturday

So how does the Canadian ambassador see things?

Kirsten Hillman, who has served in her role since 2020, said the U.S. and Canada need to find common ground. Trump has said that the U.S. is "losing" due to [running a trade deficit with Canada](#).

To address this, she says Canada could try and buy more from the U.S., depending on the agreement the countries come to.

"Or we can sell you less energy because we do have other customers. It's just that we have always prioritized our American friends because we want you to succeed," Hillman said.



Kirsten Hillman, Canada's ambassador to the US, speaks during the US-Canada Summit in Toronto, Ontario, Canada, on Tuesday, April 4, 2023.

Cole Burston/Bloomberg via Getty Images

She also told *Morning Edition*'s Steve Inskeep why she feels both countries need each other in terms of international trade.

This interview has been edited for length and clarity.

Steve Inskeep: What would a 25% tariff on all Canadian goods entering the United States mean for your economy? That is a thing that Trump threatened to impose recently.

Kirsten Hillman: Yeah, it would be very difficult. We have \$2.5 billion dollars of

bilateral trade between Canada, United States. Every single day we have the biggest bilateral trading relationship in the world. So it would be a challenge for sure, but it would also be a really big challenge for Americans, for American businesses and consumers. We buy more from the United States than any country in the world, more than China, Japan, France and the U.K. combined.

But it's also part of some very integral and critical supply chains in areas like energy, certain minerals. And you don't have other sources, really. I mean, you do you have a few, but primarily that's China or Russia for uranium or China for some of the minerals that are required for some of the very important work that is done here.

Inskeep: That's a lot of money. And I want to note what some of those things are. There's a lot of petroleum coming from Canada to the United States, right? That's one of the things that would get more expensive in the United States?

Hillman: Absolutely. So a third of what we sell into the U.S. are energy products, including gas. And our analysts and some American analysts have forecasted that a 25% tariff on our oil and gas exports would raise the price at the pump by up to 70 cents.



POLITICS

Why Trump's tariff promises will be hard to keep

The president has a very strong agenda towards energy dominance to not only fuel the U.S. economy, but fuel the artificial intelligence revolution. And Canada is a partner in that. Right. Nuclear is another example. We supply you about a third of the uranium that you use, but you still get uranium from Russia. So what we are saying is, "why are you doing that? Why not create a nuclear fuel partnership with Canada to make the two of us nuclear independent nations?" But we can't do that if we're in a big tariff fight.

Inskeep: The United States does run a trade deficit with Canada, I believe it's something like \$60 billion per year. This is something the president really doesn't like. He chooses to see it as losing money. And a lot of Americans think that sounds bad. Is the United States losing

money in its back and forth with Canada?

Hillman: We buy more manufactured products from you than you buy from us. We buy a lot more services from you than you buy from us. The reason there is a trade deficit between Canada and the United States is because a third of what we sell you are energy products, and we sell those energy products for the most part at a discount. And those energy products fuel your businesses, provide economical heating for your homes, and are refined and resold at a significant profit.

If you want to try and balance out a trade deficit, there's two ways of doing it: You buy more or you sell less. We can try and buy more and that may be part of what we do here in this great partnership of ours. Or we can sell you less energy because we do have other customers. It's just that we have always prioritized our American friends because we want you to succeed.

The radio version of this story was edited by Lisa Thomson and produced by Lindsay Totty.

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