



**A New Era for the Canada-U.S.
Relationship**

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A New Era for the Canada-U.S. Relationship

In 1969 when he was Prime Minister of Canada, Pierre Elliott Trudeau commented, “living next to [the United States] is in some ways like sleeping with an elephant. No matter how friendly and even-tempered is the beast, if I can call it that, one is affected by every twitch and grunt.”ⁱ Perhaps his son and current Prime Minister of Canada, Justin Trudeau has also grasped this viewpoint. The two countries have exceedingly close ties and it is in Canada’s vested interest to maintain a good working relationship with its neighbour. The two countries collaborate significantly on issues such as trade, security, energy relations, environment and climate change. On November 9, 2016, following Trump’s defeat of presidential candidate Hillary Clinton, Trudeau extended the following congratulatory remarks to the new President-elect,

“Canada has no closer friend, partner, and ally than the United States. We look forward to working very closely with President-elect Trump, his administration, and with the United States Congress in the years ahead, including on issues such as trade, investment, and international peace and security. The relationship between our two countries serves as a model for the world. Our shared values, deep cultural ties, and strong integrated economies will continue to provide the basis for advancing our strong and prosperous partnership.”ⁱⁱ

However, the Trudeau-Trump relationship may be difficult to build as the two leaders have rather disparate views on a myriad of issues. Ironically, during the election, the Washington Post heralded Justin Trudeau as the “Anti-Trump”.ⁱⁱⁱ This is due to the fact that the Canadian Prime Minister’s platforms on climate change, refugees, and immigration are deemed to be the anti-thesis to Trump’s position on these issues.

During his first few days in office, Trump signed numerous executive orders that will undoubtedly impact Canada. This paper will highlight various aspects at the core of the Canada-U.S. relationship. More specifically, it will examine Trump’s stance on bi-lateral trade with Canada, security relations between the two countries and the Keystone XL Pipeline project.



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Preparing for Trump

Justin Trudeau, the 23rd Prime Minister of Canada and leader of the Liberal party, was elected into office on October 2015. This marked the end of an eight-year rule of the Conservative Party under Prime Minister Stephen Harper. At the height of the U.S. electoral race when Trump was still competing with a number of other Republican candidates, Trudeau was slightly more vocal about how he viewed Trump. In particular, in December 2015, he heavily criticized Trump's response to terrorism as he stated, "painting ISIS and others with a broad brush that extends to all Muslims is not just ignorant, it's irresponsible."^{iv} However, in the final months of the election, Trudeau became more guarded with his position.

A few weeks prior to Trump's inauguration, Trudeau shuffled his cabinet of ministers on January 11, 2017 in order to ensure that Canada put its "best team forward."^v Trudeau did not single out Canada-U.S. relations as a motivating factor, as he stated that this shuffle was also intended to facilitate Canada's relationship with China and Europe. However, the timing of this change, which was done less than two weeks before Trump's inauguration, is suspect. Regarding the more noteworthy changes, Trudeau removed Foreign Affairs Minister Stéphane Dion and replaced him with former International Trade Minister, Chrystia Freeland. Freeland was the chair of the cabinet committee on Canada-U.S. relations and successfully negotiated the Canada-European Union Free trade deal signed by Trudeau on October 30, 2016. As Trump is intent on re-negotiating the North American Free Trade Agreement (NAFTA), Freeland could also play a key role. Trudeau commented specifically on his selection for Freeland as he stated, "One of the things that we've seen from president-elect Trump is that he very much takes a trade and job lens to his engagements with the world in international diplomacy. And it makes sense for the person who is responsible for foreign relations with the United States to also have the ability and the responsibility to engage with issues such as NAFTA and the broad range of trade issues that we'll be facing with our friends and neighbours south of the border."^{vi}

In addition to Freeland, Trudeau replaced John McCallum, Minister of Immigration, Refugees and Citizenship with Ahmed Hussen. A proud holder of Canadian-citizenship, Hussen is originally from Somalia, one of the countries upon which Trump imposed a travel ban. Hussen immigrated to Canada as a refugee twenty-four years ago when he fled the Somali civil war. Prior to his move into public office, Hussen practiced law and was an avid social activist. The Minister's life story encapsulates the open and welcoming immigration policy of the Canadian Government.^{vii} When asked about how he viewed Trump's ban, he answered "Yes, I was born in Somalia, but I took my oath of citizenship to this country 15 years ago. I am a Canadian," he said. "I have spent most of my life here and I continue to be proud of our country, our ability to be generous, to continue to view those who seek protection as being welcome to this country."^{viii}

Trudeau was accompanied by these newly appointed Cabinet ministers and several other high-ranking political staff for his first official meeting with President



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Trump on February 13, 2017. During their official press photo in the Oval office, the leaders shook hands awkwardly, earning them the title of “the odd couple.”^{ix} Their interaction was in stark contrast to the enthusiastic meeting between President Obama and Trudeau almost one year ago when Trudeau received a lavish welcome on March 10, 2016. During that visit, Trudeau was serenaded by a military brass band and a cannon salute. The day culminated in a celebrity studded state dinner. There was no festive feel during this current visit between Trudeau and Trump. This was to be expected given the number of vital items on the agenda to be discussed.

Trade relations

U.S.-Canada trade relations were one of the crucial issues addressed during the meeting between the two leaders. During the electoral race, Trump espoused an explicitly protectionist platform, which would ultimately affect trade relations between Canada and the U.S. This manifested itself concretely on two fronts: the Trans-Pacific Partnership (TPP) as well as Trump’s resounding criticism of NAFTA.

Throughout his campaign, Trump made it very clear that, if elected, he would not ratify the Trans-Pacific Partnership. The TPP is a free-trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore and the United States. The agreement was intended to facilitate “economic growth; support the creation and retention of jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in the signatories’ countries; and promote transparency, good governance, and enhanced labour and environmental protections.”^x Although negotiated and signed by President Barack Obama, it was not ratified. While campaigning, Trump referred to this trade agreement as “the greatest danger yet”.^{xi} Membership in the TPP would have been very advantageous for Canada as it would have improved market access and enhanced regional economic integration with Asia-Pacific countries. Furthermore, if ratified, it could have increased Canada’s GDP by 0.127% and upturned gains of \$4.3 billion over the next two decades.^{xii} Unfortunately, Canada will not benefit from these economic gains. After only two days in office, Trump carried through with his campaign promise as he signed an executive order on January 23, 2017, resulting in the withdrawal of the U.S. from the TPP.

Furthermore, Trump has been consistently critical of NAFTA, which is one of the cornerstones of the Canada-U.S. relationship. Canada and the U.S. first enacted a Free Trade Agreement in 1989.^{xiii} The objective of the FTA was to significantly decrease tariffs between Canada and the United States while still maintaining tariffs with their other respective trading partners. At the time, both governments were very keen about the agreement, as it was deemed to be a “win-win”.^{xiv} When NAFTA was introduced in 1994, it widened the parameters of the Canada-U.S. Free Trade Agreement. Furthermore, the signing of the new agreement resulted in the creation of the largest free-trade area in the world. This is due to the fact that it dismantled barriers to the flow of goods and labour between Canada, Mexico and the United



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States. Canada and the U.S. exchange \$ 2 billion (CAD) in trade each day and \$750 billion annually.^{xv} The following chart highlights Canada's trade relations with other countries.

Canada's Trade Export by Region in August 2016^{xvi}

Region	\$ Billion (CAD)
United States	32.436
EU	3.659
China	1.991
Japan	0.945
Mexico	0.785

However, could this trading relationship be threatened under a Trump Presidency? On June 28, 2016, Trump indicated that he would extricate the U.S. from the treaty unless significant amendments were implemented. He further declared, "it's the worst trade deal ever signed in the history of this country, and one of the worst trade deals ever signed in the world."^{xvii} Additionally, he threatened that if Canada and Mexico were not willing to renegotiate the terms of the trade agreement, the U.S. would invoke Article 2205 which grants a party the right to only provide six months' notice prior to withdrawing.^{xviii} A Capital Economics report released in June 2016 projected that Canada's exports could become "collateral damage" if Trump were elected. However, during Trump's short time in office, his language regarding dismantling NAFTA has somewhat softened, at least in Canada's regard.

While in Washington on February 13 2017, Trudeau sought clarification regarding Trump's stance on modifying NAFTA. In their meeting, Trump assured Trudeau that the re-negotiations would not have a calamitous effect upon Canada economically, as the agreement would only be subject to mild "tweaking." Trump's tone in this respect was more restrained as he acknowledged that the countries have shared economic interests. Trump appears to be intent on modifying the agreement with respect to Mexico. Moreover, he has been very clear that there will be consequences for American companies that build factories overseas and ship products back to the United States. In a joint statement, following their meeting, the two leaders upheld the "importance of building on this existing strong foundation for trade and investment and further deepening [their] relationship".^{xix} However, is Canada entirely out of the woods? The parameters of the tweaking mentioned by Trump still remain to be seen.

Canada-U.S. Border Relations



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A joint statement issued by Trump and Trudeau on February 13, 2017 on the Canada-U.S. border relations highlighted the importance of ensuring that security remains a priority while facilitating the efficient cross border travel. More concretely, this would consist of undertaking “pre-clearance of people and integrated cross-border law enforcement operations.”^{xx} It is also worth noting that during that same press conference, Trump admitted that he was not “totally confident” in respect to the security with the Northern Border.

Canada and the United States share approximately 9000 km of border, which represents the longest shared border in the world. These borders are exceedingly well travelled as approximately 380,000 people cross daily between Canada and the U.S.^{xxi}

Canadian Provinces that Share a Border with the U.S.		U.S. States that Share a Border with Canada	
Ontario	2,760 km	Alaska	2,475 km
British Columbia	2,168 km	Michigan	1,160 km
Yukon	1,210 km	Maine	983 km
Quebec	813 km	Montana	877 km
Saskatchewan	632 km	Minnesota	880 km
New Brunswick	513 km	New York	716 km
Manitoba	497 km	Washington	687 km
Alberta	298 km	North Dakota	499 km
		Ohio	235 km
		Vermont	145 km
		New Hampshire	93 km
		Idaho	72 km
		Pennsylvania	68 km

Prior to September 11, 2001, Canada and the U.S. shared an unusually low-maintenance border relationship, which was often heralded as “the longest undefended border in the world.” Border policing was rather minimal as nearly half of the 126 official ports of entry on the northern border were left unguarded at night. In lieu of a border patrol agent, an orange cone was often placed in the roadway to indicate that border crossing was closed.^{xxii} Furthermore, there were only approximately 334



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U.S. agents patrolling the 6400 km northern border in contrast to the 9,000 agents that were delegated to patrol the 3200 km border between the United States and Mexico.^{xxiii} All of this drastically changed after the terrorist attack on the United States on September 11, 2001 when the porous border between the two countries was deemed a possible port of entry for potential terrorists.

President Donald Trump's executive order regarding the travel ban on seven Muslim-majority countries has already had an impact on border relations between the two countries. During a meeting with reporters at the White House, Trudeau navigated a question on Trump's contentious policy rather diplomatically. In lieu of engaging in the debate that has instigated a vociferous reaction, he maintained, "the last thing Canadians want for me is to lecture another country on how they should govern." That being said, he still affirmed that Canada would uphold its tradition of "openness" towards refugees. Canada's open stance towards refugees is currently being tested. On February 11, 2017, 20 refugees crossed over into Emerson Manitoba, a small town of less than 1000 inhabitants located across the border from North Dakota. According to the terms of the Safe Third Country Agreement, Canada is obligated to refuse entry to refugees who first claimed asylum in the U.S.^{xxiv} However, this is not applicable because the agreement only extends to individuals who make their refugee claim at an official land border port of entry. The majority of the asylum-seekers are originally from African countries and are fleeing the U.S. in response to the government's new position on immigration rules.^{xxv}

Manitoba Premier Brian Pallister has been in communication with the Prime Minister's Office regarding the high numbers of refugees illegally crossing into Canada from the United States.^{xxvi} During Question Period in the House of Commons on February 8, 2017, Mr. Trudeau specified that despite Canada's tolerant policy towards welcoming refugees, the government must proceed in the "right way". Trudeau specified that, "we need to make sure that we are protecting the integrity of the Canadian border, the strength of our immigration and refugee system, and demonstrating that we are there for the security of communities and individuals."^{xxvii} The Canadian Government is facing an unprecedented situation and will have to react accordingly. Any solution devised will also entail a degree of collaboration with the United States.

The Keystone XL Project

Trump has also resuscitated the Keystone XL Pipeline project. The 1,897 km pipeline originating in Hardisty, Alberta would transport crude oil to Steele City, Nebraska.^{xxviii} The pipeline could result in transporting approximately 830,000 barrels of oil daily. The Keystone project was a contentious issue between Trudeau's predecessor, Prime Minister Stephen Harper and President Barack Obama. Conservative leader Harper championed the Keystone project as he avowed that this project would unlock massive wealth concealed under Alberta's oil sands and create countless jobs. However, over the subsequent seven years, this project encountered severe obstacles. In addition to environmental lobby groups in Canada and the U.S., President Obama



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presented a significant stumbling block to the materialization of this project. Obama took all measures possible to ensure that the presidential permit was never granted.

Years of staunch opposition to this project were undone during Trump's fourth day in office when he signed an executive action stipulating that the Calgary-based TransCanada Corporation should re-pursue the project. To further emphasize his support, Trump affirmed that once the application from TransCanada Corporation was submitted, a decision would be granted by the State Department within 60 days. TransCanada Corporation did not waste any time in acting upon the President's executive order. On January 26, 2017 two days after the signing of the order, TransCanada Corporation signed a Presidential permit application to the U.S. Department of State. The Liberal government welcomed the rebirth of the pipeline project as the Natural Resources Minister Jim Carr affirmed "it's a good day for Alberta and a good day for Canada."

Concluding Remarks

Historically, the Canadian public has favoured a Democratic President in the White House over a Republican.^{xxix} This is due to the fact that there are certain synergies between Canadian mainstream opinion on religion, foreign policy, health care and the political platform of the Democratic Party. Nevertheless, some experts on Canada-U.S. relations have argued that the Canadian economy fares better when a Republican is in power.^{xxx} However, many Canadians are having trouble digesting Trump's contentious domestic and foreign policies as well as his peppery personality. In this respect, in a poll by Insights Canada West conducted in February 2016, 67% of the Canadians polled indicated that Trump in the White House would not be advantageous for Canada.^{xxxi} A further poll taken by Abacus Data, a Canadian polling and market research firm revealed in June 2016 that if Canadians were to cast a vote in the US election, approximately 80% would select Hillary Clinton.

During his first week in office, Trump signed several executive orders that have already implicated Canada. To begin with, the Keystone XL Pipeline project was revived. If everything proceeds as planned, the previously contested project could possibly be launched within the next three months. Although a very sore spot for environmentalists, Canada's economy will greatly benefit if the projections of the economists come to pass. Trump's travel ban and stance on immigration has resulted in an influx of asylum seekers in Canada. The Canadian Government is currently trying to determine the most efficient, compassionate and just way to address the refugees that are illegally entering the country. Finally, while in Washington, Trump reassured Trudeau that NAFTA would only be slightly amended. In spite of the widespread criticism Trump has received from other world leaders, Trudeau has endeavoured to maintain a diplomatic approach. In spite of some of Trump's controversial decisions, given the proximity of trade, security and other shared issues between Canada and the U.S., the two countries will evidently have to



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continue to maintain close economic and political cooperation over the next four, or possibly eight years.

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