The First Trudeau Era and Canadian-American Relations Today

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When Justin Trudeau became Prime Minister in the fall of 2015, he was welcomed by a strong friend in the White House by the name of Barrack Obama. Both men can be understood as centrist neo-liberals, both have embraced social progressivism, and both were seen by the world as young, charismatic, and handsome leaders. And things looked good for the long term, as well, given that Hillary Clinton seemed destined to win the presidency in 2016. But as we know, the Fall of 2016 brought a Donald Trump victory, which tore asunder any hopes of Trudeau working with a fully-likeminded president. But while the Trudeau Liberals (as well as the vast majority of Canadians) would have preferred a Clinton presidency, the effects Trump has had upon Trudeau's leadership have not been purely negative. Indeed, the realities of a Trump presidency have posed interesting challenges, but have also given Trudeau opportunities that would not have existed with Clinton. Trudeau's status as 'progressive poster boy' on the international stage exists at least in part due to the juxtaposition with Trump, and many Canadians look southward to the president, subsequently seeing Trudeau's limitations in a relatively positive light. Likewise, many Americans look northward with envy.

Indeed, the challenge for Justin Trudeau is to preserve his image as a progressive foil to Trump, all without straining ties to his administration or the wider American political order. Interestingly, and like his son, the late and former Prime Minister Pierre Trudeau dealt with complicated Canadian-American relations on both economic and diplomatic grounds, having to balance a strong relationship with the USA on the one hand, along with his own objectives and the political realities of Canada on the other.

The First Trudeau Era

Pierre Trudeau came into power in 1968 with a history of being an anti-nationalist proponent of free trade. His belief, influenced deeply by political economist Albert Breton, was that trade and economic integration with countries like the USA was beneficial, and that protectionism—be it through tariffs or foreign investment controls—was detrimental above all to working-class people and the poor, who would not be allowed to benefit from lower prices and competition. But Trudeau came to realize that American intervention into Canadian affairs was becoming increasingly unpopular, due both to new studies like those from Mel Watkins showing overwhelming foreign and specifically American dominance in many industrial sectors, along with a sense that American foreign policy was aggressive and against the ideals of a peaceful society. This nationalist moment gave great impetus to the democratic-socialist New Democratic Party (NDP), and forced Trudeau in the early 1970s to found a national petroleum crown corporation, as well as implement a program to review foreign investment. Trudeau would laud these programs for their stated purpose of protecting Canada's economy, but their value was manifest primarily in neutralizing opposition from the nationalist left within the NDP and his own party. This is why his Foreign Investment Review Agency (FIRA), while mostly a rubber stamp for prospective investors, nonetheless served to demonstrate the optics of action on the 'American question.'

Indeed, Trudeau did not want to make any sort of major shift with the Americans. Certainly, Trudeau did break with the Americans in his early recognition of Communist China and Cuba, and did not support Canada's formal participation in Vietnam, but he wanted to maintain the special relationship the two countries had. This explains in

part Canada's early recognition of Pinochet's Chile, and unwillingness to accept political refugees fleeing the US-backed coup there, but it relates even more to Richard Nixon's shift in American trade policy in the early 1970s. As historian Bruce Muirhead has noted, the Nixon administration instituted a series of tariffs meant to address the USA's trade deficit. And unlike with the USA's 1963 Interest Equalization Tax, Canada was not to be exempted from this round of adjustments. Some at the time deemed the 'Nixon Shock' to be an existential threat to Canada's economy and its place within the sphere of American influence.

The response from Canada entailed a full-fledged diplomatic effort which included key cabinet ministers and Trudeau himself. They would talk up the special historical relationship between the two countries, along with Canada's presence as a steadfast economic, ideological, and military ally. Trudeau would travel to Washington in 1971 to meet with Nixon, and despite his long-held distrust of protectionism, he could accept if it meant preserving the special relationship:

If you're going to be protectionist, let's be in it together…I am not a nationalist, I am not a protectionist – if you were going to take a very protectionist trend, our whole economy is so importantly tied to yours, we'd have to make some very fundamental decisions.

So while he would not abandon a general distrust of nationalism, and never seriously broke with the United States, this episode led Trudeau to become more receptive to programs like the aforementioned FIRA and the National Energy Program (NEP), the latter of which came in Trudeau's final years, and which intensified the already ideologically-strained relationship he had with American President Ronald Reagan. But the motivations of the NEP were, like FIRA, at least largely political, meant to capture support from the still high numbers of Canadians who looked upon American dominance with suspicion and worry, especially when that dominance was manifest in sectors like energy production and exploration. Again, Trudeau's NEP was actually more about shifting revenue between the oil producing provinces and the federal government, but the nationalist line was politically imperative, as many labour and left activists gave Trudeau key support as he fought against unpopular oil companies and right-of-centre American politicians.

To summarize, Trudeau was largely in favour of Canada's diplomatic and economic relationship with the United States, but needed to have at least partial distance from the country, both so that he could, when needed, achieve goals he had set for Canada's place in the world, but also because he needed to keep happy the many Canadians who were concerned about being gradually absorbed into the American Empire.

The Lessons Today

In some ways, the situation differs for Justin, but the lessons are nonetheless similar. First, Canadians' wariness of American domination is much lower than in Pierre's day. Canadians do not seem to feel that free trade and American capital poses an existential threat as they did prior to the formation of the Canadian-United States Free Trade Agreement (CUSFTA) and the North American Free Trade Agreement (NAFTA). After the 1988 election—fought largely on the question of implementing the CUSFTA—the Liberals joined the Conservatives as an ardently free-trade party, and even the NDP became less critical of the concept than it once was. As it stands today, recent polling puts Canadian support for NAFTA as high as 75%, a number which has in any case grown substantially since Trump's rise and suggestion that the trade agreement might be scrapped if a better deal can't be reached. Indeed, Justin sees this potential outcome as a real threat, and has assembled a team of Canada's leaders from various sectors, as well as the Conservative and New Democratic parties, to ensure the program endures.

Justin, in trying to preserve NAFTA and Canada's relationship with the USA, has had to—like Pierre in some ways—walk a political and diplomatic tightrope. On the one hand, Justin has refrained from directly criticizing Trump's controversial remarks and actions, and has met with the president on amicable terms. As a result, Justin's team seems to have a decent rapport with the American administration, with Trump himself saying that Justin is "doing a spectacular job," Justin personally escorting Trump's daughter and key advisor Ivanka to the theatre, and through the budding friendship between Justin's senior advisor Gerald Butts and Trump's former Chief Strategist Steve Bannon. If the objective has been to build a strong relationship with Trump and company, Justin must be seen

as quite successful.

But much of this comes with political pitfalls domestically. As noted above, Trump is deeply unpopular in Canada, especially with the sort of voters Justin depends on for re-election in 2019. When he is seen as aiding and abetting Trump in his actions, he risks backlash. This is why, while Justin has not directly critiqued Trump, he has made statements meant to reach out to anti-Trump Canadians. He did this as a response to Trump's Muslim ban, for instance. This allows him to both keep the special relationship intact, but re-assure Canadians that he disapproves of Trump's actions. Like Pierre at times, some of Justin's actions have been more about optics than substance, like when the indirect critique of Muslim ban was not accompanied by any specific policy or action.

This strategy has also played out in the ongoing NAFTA renegotiation talks. One of Canada's most recent demands was that the United States end the practice of right-to-work labour legislation, which makes union organization more difficult. As many have noted, there is functionally a zero percent chance of such a proposal being accepted, but even articulating the idea, on Labour Day weekend no less, was a careful move from the government to signal to trade unionists—generally seen in Canada as strategic voters of an anti-Conservative mindset—that the Trudeau Liberals are still their friend.

Again, this is a tricky path to walk, but Justin has been doing so with success, at least insofar as his relationship with Trump remains positive, and his party continues to poll around 42%, putting them above their already-impressive 2015 result. So far, it looks like he's keeping the special relationship whole, while not angering progressives at home.

While changes have occurred, and both men have sought new ways in which to ensure Canada's flexibility beyond the American sphere of influence, for Justin as it was for Pierre, the special relationship must at its core endure.

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