

Canada and the Trump Presidency: Existential Threats and Political Turmoil

Laura Macdonald
Carleton University
Laura.Macdonald@carleton.ca
ORCID: 0000-0001-7806-0378

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RESUMEN:

El periodo que abarca desde las elecciones estadounidenses en noviembre de 2024 hasta la toma de posesión de Donald Trump para un segundo mandato en enero de 2025 ha dado lugar a una agitación política casi sin precedentes en Canadá. El inicio de una guerra comercial por parte de Trump contra Canadá y México, y las amenazas de anexar Canadá, creando así un estado número 51, han generado un profundo cuestionamiento del papel de Canadá en Norteamérica y sus relaciones con Estados Unidos, tradicionalmente considerado su mejor amigo y aliado.

ABSTRACT:

The period since the U.S. elections in November 2024 and Donald Trump's inauguration in January 2025 for a second term have led to a period of almost unprecedented political turmoil in Canada. Trump's launch of a trade war against Canada and Mexico, and threats to annex Canada, creating a 51st state, have led to profound questioning of Canada's role in North America and its relations with the United States, traditionally seen as the country's closest friend and ally. The article reviews the nature of the political

El artículo analiza la naturaleza de la crisis política en Canadá ocasionada por las amenazas de Trump. La historia canadiense se ha caracterizado por la oscilación entre dos tendencias opuestas: quienes están a favor de la integración económica con Estados Unidos y quienes desean limitarla. El artículo argumenta que las amenazas de Trump han provocado un resurgimiento de la tendencia nacionalista y podrían ocasionar profundos cambios políticos y económicos en Canadá.

Palabras clave:

Donald Trump, política canadiense, Mark Carney, Pierre Poilievre, aranceles

crisis in Canada caused by Trump's threats. Canadian history has been characterized by oscillation between two competing tendencies: those in favour of economic integration with the United States, and those who wish to limit this integration. The article argues that the threats from Trump have resulted in a resurgence of the nationalist tendency and may result in profound political and economic changes in Canada.

Keywords:

Donald Trump, Canadian Politics, Mark Carney, Pierre Poilievre, tariffs

The period since the U.S. elections in November 2024 and Donald Trump's inauguration in January 2025 for a second term have led to a period of almost unprecedented political turmoil in Canada. Trump's launch of a trade war against Canada and Mexico, and threats to annex Canada, creating a 51st state, have led to profound questioning of Canada's role in North America and its relations with the United States, traditionally seen as the country's closest friend and ally. While Mexico seemed to be facing Trump's threats calmly and the Mexican government of Claudia Sheinbaum enjoyed clear political dominance and sky-high ratings in public opinion polls, before Trump's re-election the Liberals were facing almost

certain defeat in the elections that had to occur before October 2025. The Conservative Party of Canada under Pierre Poilievre, a figure in many ways close to Trump in ideological terms, saw their commanding lead in the polls rapidly evaporate. Former Prime Minister Justin Trudeau was forced to step down from his position in early January, leading to the selection of a new Liberal leader, Mark Carney, in a landslide vote. Immediately after being sworn in as Prime Minister, Carney called a snap election, slated for April 28th, 2025. As of late March, when the campaign started, the two leading parties are in a neck and neck race in public opinion polls, with the Liberals now seeming to have a good chance of winning the election and a fourth term in office. While foreign policy rarely plays a prominent role in Canadian elections, this election campaign is likely to be dominated by debates about relations with the United States.

Trump's threats against Canada thus resulted in rapid and unexpected political changes in the country. Ironically, Trump's threats against Trudeau, whom he detested, sped up Trudeau's decision to step down as leader of the Liberal party, and resulted in the political revival of the Liberal party. At the same time, we have seen a dramatic upsurge in Canadian nationalist and anti-American sentiment which has deep ideological roots in the country, but which have been in abeyance since the decision to enter first into the Canada-US Free Trade Agreement (CUSFTA) in 1988, and subsequently the North American Free Trade Agreement (NAFTA) in 1994.

In this article, I provide some background on ideological and political debates in Canada around the issue of free trade with the United States and Mexico. I then discuss the causes of the rapid deterioration of relations with the U.S. under since Trump's re-election and lay out some of the alternatives that leaders are suggesting. I argue that Canadian history has been characterized by oscillation between two competing tendencies: those in favour of economic integration with the United States, and those who wish to limit

this integration. The threats from Trump have resulted in a resurgence of the nationalist tendency and may result in profound political and economic changes in Canada.

History of Canada-US Relations and Free Trade Debates

In his study commissioned as part of the 1985 Royal Commission on the Economic Union and Development Prospects for Canada (the Macdonald Commission), Canadian historian Jack Granatstein called free trade “the issue that will not go away” (Granatstein, 1985). In addition to perpetual disputes related to the role of Quebec in the country, the issue of whether Canada should pursue closer economic relations with its larger, richer neighbour to the south, has been the main question which has dominated Canadian politics since even before Confederation (Hoberg, 2002, pp. 4–6). Political debate was historically dominated by the divide between “continentalists” and “nationalists”. Canada’s early economic history was dominated with its ties with the United Kingdom. Continentalists held sway for much of the post-war period, as represented in the Auto Pact of 1965 and rising levels of U.S. investment in Canada which resulted in the growing presence of branch plants or subsidiaries of U.S. corporations located in Canada.¹ By the mid-1970s, however, there was widespread concern about the implications of economic integration with the U.S. for Canadian economic and political independence. Liberal Prime Minister Pierre Trudeau responded by adopting nationalist economic policies to limit the spread of U.S. power, such as the National Energy Policy of 1980 to promote national energy sovereignty, the Foreign Investment Review Agency to limit foreign investment and the

¹ The Canada-US Auto Pact represented a mechanism for managed trade which resulted in integration of automobile production in the two countries. Under the terms of the agreement, tariffs were removed for automobiles sold between the two countries, and the Big Three automobile producers (Ford, GM and Chrysler) and later Volvo agreed that car production in Canada would not fall below 1964 levels.

Canada Development Corporation to promote domestic ownership of the economy (Clarkson, 2002, p.25; Macdonald, 1997). Trudeau also attempted to diversify Canadian trade partners with outreach to countries like Mexico through what was called the Third Option. Most of these efforts were too little and too late and failed to arrest the movement toward increased continental ties (Macdonald, 1997, p.178).

The real shift in Canada's relationship with the United States occurred under Progressive Conservative Prime Minister Brian Mulroney, elected in the 1984 federal election. Mulroney campaigned against free trade when running for leader of his party. After his election, in response to economic crisis and increased U.S. protectionism, however, his government chose to pursue a free trade agreement (FTA) with the United States, then led by neoliberal president Ronald Reagan. Advocates of the agreement argued this would increase Canadian industries' efficiency and competitiveness and guarantee secure access to the U.S. market (Clarkson, 2002, pp. 27–28). These arguments were fiercely contested by nationalist social movements and by the leaders of both the Liberal and New Democratic Parties (Ayres, 1998). Mulroney's electoral win in 1988 guaranteed the signing of the Canada–US Free Trade Agreement (CUSFTA), which entered into force in 1989. Subsequently, after Mexico pursued its own FTA with the United States, Liberal Prime Minister Jean Chrétien decided to enter into trilateral negotiations, which eventually produced NAFTA. While Canadian leaders were not enthusiastic about sharing their special access to the U.S. economy with Mexico, this was seen as a preferable alternative to the creation of two separate FTAs which would make the United States the “hub” and Canada and Mexico the “spokes” in the North American economy and drive investment toward the U.S (Macdonald, 1997, pp.179–180). After this point, Canada's increased economic integration with the United States made alternatives to free trade seem

unrealistic, and nationalist arguments declined. The dominance of the continentalist option would be challenged, however, by Trump's right-wing populist and nationalist policies.

Trump 2.0: Rapid deterioration in Canada-US relations

During his first presidency (2016–2020), Trump's relationship with Canada and with Prime Minister Justin Trudeau, who came to power in 2015, was relatively civil, and they managed to work together along with Mexico to renegotiate the NAFTA, creating what was called in Canada the Canada-US-Mexico Agreement (CUSMA). Trump did, however, insult Trudeau after the G7 meeting in Kananaskis BC in June 2018, and clearly disliked him personally. When Trudeau stated during the summit that Canada would not be “pushed around” by Trump's imposition of tariffs on Canadian steel and aluminum exports, Trump called him “very dishonest and weak” (MacCharles, 2018). Peter Navarro, Trump's top trade adviser, said on Fox News in response to this incident: “There's a special place in hell for any foreign leader that engages in bad-faith diplomacy with President Donald J. Trump and then tries to stab him in the back on the way out the door” (Dale et al., 2018). For the most part, however, most of Trump's attacks were saved for Mexico, which he portrayed as a dangerous source of undocumented migrants, drugs, and crime. Trump did establish 25% tariffs on steel and 10% on aluminum from both Mexico and Canada during his first administration but lifted them a year later. His main sustained focus in his first administration was China.

In contrast, the second Trump administration has adopted a combative new attitude, and Canada has been the main target of that aggression. The Canadian public, Canadian business and the Canadian state are all struggling to comprehend this political shift and to design an effective response. Trump

has not just launched a trade war but has also said his plan is to use “economic force” to annex Canada and to make Canada the 51st state. He has frequently referred to Trudeau as “governor” of the 51st state of the United States, rather than as Prime Minister of an independent country. Trump has also discussed tearing up a 1908 border treaty between Canada and the U.S.

In addition to these targeted threats against Canada, Washington has announced a rapid and intense series of tariffs and economic threats against both Canada and Mexico (as well as China and other countries) in the first couple of months of the Trump administration:

- January 2026 – Trump announces 25% tariff on Canadian and Mexican imports (10% on energy) and 10% on China – to take effect February 1st
- February 1st – Trump signs order to enact the tariffs on February 4th
- February 3rd – Trump announces one month delay on Canadian and Mexican tariffs
- February 10 – Trump announces plan to enact 25% tariffs on steel and aluminum (to take effect March 12).
- February 13 – Trump announces plan for “reciprocal tariffs” – to increase US tariffs to match selected other countries’ tariffs on US goods
- March 4 – Tariffs on Canada and Mexico begin; tariffs on China raised to 20%; one-month exemption for auto sector to end April 2; Canada announces retaliatory tariffs worth \$21 billion US; Mexico holds off on imposing tariffs
- March 6 – Second 30-day pause set on some tariffs; Canada suspended second wave of retaliatory tariffs worth \$87 billion US.
- March 12 – 25% tariff on Canadian and Mexican steel and aluminum after Trump backed off from a threat earlier in the day to increase it to 50% (Grantham-Phillips, 2025).
- March 26 – Trump signs proclamation imposing a 25% tariff on imports of automobiles and some automobile parts, invoking Section 232 of the

Trade Expansion Act of 1962 that refers to threats to national security (White House, 2025).

▪April 2nd – In his “Liberation Day” announcement, Trump announced that the 25% tariffs on auto sector that were previously postponed will take effect April 3rd, on top of the 25% steel and aluminum tariffs already in effect. Additionally, the president announced a reduction of threatened 25% tariff on all Canadian and Mexican imports to a lesser 10% tariff on oil, gas and potash imports. Goods that do not comply with USMCA will be subject to 12% “reciprocal tariffs”. The federal government has estimated that some 40% of Canada’s exports do not comply with USMCA because of the cumbersome nature of the requirements to qualify (MacCharles, 2025). Overall, these tariffs are expected to have a punishing effect on the Canadian economy. Moreover, firms are more likely to invest in the United States than in Canada to avoid the tariffs.

How do we explain Trump’s behaviour?

Pundits have proposed diverse explanations for Trump’s behaviour, and specifically for his extreme enmity against Canada. These actions are hard to explain, since they do not seem to be popular in the U.S. A poll conducted by the Angus Reid Institute “found that 60 per cent of Americans have ‘no interest in seeing’ Canada join the U.S., while 32 per cent are “interested but only if Canadians want to. Six per cent agreed with the statement that the U.S. should annex Canada using political and economic pressure, and two per cent believe the U.S. should annex Canada using military force” (Toronto Star, 2025).

When attempting to justify his threats, Trump initially argued they were a response to threats to national security coming from Canada, including the flow of fentanyl and migrants from Canada and Mexico. As documented by the *Globe & Mail*, however, the amount of fentanyl coming from Canada

to the U.S. is tiny, representing less than 1% of seized fentanyl entering the country. Before his resignation, Trudeau named a “fentanyl czar” to address the fentanyl issue, which seemed to address the U.S. government’s concerns. Canada’s trade surplus with the U.S. is also small compared to China, the European Union and Mexico. Trump’s actions seem to reflect a mercantilist, imperialist worldview on the part of the president and some of his top advisors (Ed Price, Bloomberg Podcast March 12, 2025).

Impact on Canadian politics

Justin Trudeau won a majority government in 2015 and two successive minority governments. A “Supply and Confidence agreement” with the left-wing New Democratic Party under Jagmeet Singh kept the Liberals in power. But his popularity declined rapidly after mid-2023, partly because people thought it was time for him to go after 10 years, and partly because of widespread concerns about the cost of living, housing prices, climate tax, and high immigration levels his government chose to pursue. By January 12, 2025, the Conservatives were at 45% in the polls and the Liberals at 21% (<https://338canada.com/federal.htm>)

Trudeau was apparently convinced that he was the best person to fight the Conservatives under Poilievre and refused to step down as leader. This position became untenable after Trump was elected. Finance minister Chrystia Freeland publicly criticized some spending measures contained in the new economic statement and stepped down. Trudeau was forced to step down as leader and the Liberals launched a leadership race, which was won in a landslide by Mark Carney, former Governor of the Bank of Canada (2008–2013) and the Bank of England (2013–2020). Since then, he has worked with Brookfield Asset Management and was appointed as United Nations Special Envoy on Climate Change in 2019. He called an election for May 28th.

Ironically, Trump's threats against Canada have played a fundamental role in undermining Canadians' support for the Conservatives and have given the Liberals a strong chance of winning another election under Carney's leadership. As of April 1st, 2025, poll aggregator 338Canada estimated that the Liberals were leading with support of 43% of voters while the Conservatives had fallen to 38%. The NDP were at 8% of support and the Bloc Québécois were at 6%. Based on the geographic distribution of their support, the Liberals appear to be poised to win a majority government (<https://338canada.com/federal.htm>). What explains this rapid turnaround in public opinion in Canada?

Prior to Trump's election, the Conservative Party appeared assured of political victory. Its leader, Pierre Poilievre's, appeal was based on three main factors: 1) Trudeau's low popularity levels; 2) his demand to "axe the tax" — referring to the carbon tax the Liberals had imposed in an effort to reduce carbon emissions which Poilievre promised to end, and 3) his slogan that "Canada is broken" — reflecting citizens' concerns about cost of living, high levels of immigration, housing shortages and other issues.

These factors were undermined, however, by Trump's election and subsequent threats against Canada. Freeman justified her break with Trudeau based on the claim that increased spending in the last economic statement endangered Canada's economic position at a moment when it was necessary to save resources to encounter Trump's tariffs and their economic impact. Polls clearly show that the turnaround in Liberal and Conservative fortunes dates to Trudeau's resignation and his replacement with the more popular and highly respected Mark Carney. Secondly, in his first act as Prime Minister Carney rescinded the carbon tax on individuals. This rapid action by Carney pulled the rug out from under Poilievre and his main campaign promise, although Poilievre continued to cancel the carbon tax on corporations as well. Finally, and perhaps most importantly, Poilievre's claim that "Canada is broken" is now radically out of touch

with the rise in Canadian nationalism and pride in the country that had been missing in recent years. Moreover, his brand of conservatism means many Canadians perceive him as ideologically close to Trump, and thus ill-suited to stand up for Canada if he were to become Prime Minister.

Beyond the impact on Canadians' perceptions of political candidates, Trump's election and his threats to Canada have evoked an overwhelming, visceral response among Canadians, leading to an unprecedented upsurge in Canadian nationalism (even in Quebec). This response has included diverse and apparently spontaneous actions, such as the booing of the American national anthem at hockey games, the boycotting of American goods, and cancellation of plans to travel to the United States. According to a survey by the Canadian market researcher Leger, two-thirds of Canadians said they had significantly reduced their purchases of American products in stores (68%) and online (65%), and 59% said they were less likely to visit the U.S. this year than in 2024. The same survey showed that 74% of Canadians supported their government matching U.S. tariffs on a dollar-for-dollar basis, up 4 points increase since the previous week. Support for this radical action is higher among supporters of the Liberal (92%) and Bloc Québécois (90%). In contrast, only a third (34%) of Americans supported the Trump administration's imposition of tariffs on products imported from Canada and the United States, and half of Americans surveyed thought it would negatively impact the U.S. economy (Leger, 2025). Trump's positions thus galvanized public opposition to the United States and generated a dramatic increase in support for the Liberals.

Conclusion

Trump's election has resulted in a fundamental political alignment in Canada, which goes beyond the popularity of either party. Since the Canada-US Free Trade Agreement, Canadian politics have been dominated by

a cross-party consensus in favour of increased integration with the United States. For the most part, Canadians took for granted that Americans shared their values and that U.S. governments would continue to hold up a rules-based international order.

The political shift in the United States displays the short-sighted nature of earlier policies and has made clear the need for a new Canadian approach to its economic future. One initial sign of rethinking this strategy at the highest levels is Carney's discussion of cancelling \$13 billion deal of purchase of F35 fighter jets coming from the US and exploring discussions with rival manufacturers from the European Union (EU). Over the longer term, this political crisis has forced many very pro-free trade leaders in both government and industry to say we need to fundamentally rethink our economic strategy, both to develop internal markets and to diversify trade with other markets. This will require extensive retooling of the Canadian state which has lost the capacity for engaging in industrial policy after decades of neoliberal policies. What the implications are for Mexico–Canada relations is unclear, since the two countries' response to the Trump threats have diverged, and leaders of the two countries do not seem to be coordinating their tactics. If there is a re-negotiation of the USMCA, as called for in the agreement, increased cooperation will be necessary to counter the Trump administrations demands. If steep tariffs remain in place for a long period, it is unclear whether Canada, with a much smaller economy which, like Mexico's is extremely integrated with the US economy, can stand up to the threats coming from the much larger and less trade-dependent US. The free trade orthodoxy which dominated the politics of the two countries over the last several decades has limited both countries' economic and political options, but this crisis may give rise to new ways of thinking and new international relationships that do not take for granted the United States as ally and natural and benevolent economic and political partner.

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