#### **michael simon johnson**

This is “Daily” producer Michael Simon Johnson. I am in downtown Toronto because things are getting real here in Canada.

#### **anna foley**

OK, Anna Foley here, producer on “The Daily.” I have just touched down in Winnipeg in Manitoba, Canada.

#### **michael simon johnson**

It feels like the vibe is changing, and I am here to do a vibe check.

#### **anna foley**

How would you describe how you’re feeling about what’s going on between the US and Canada right now?

#### **speaker 1**

Canadians have always been known as nice people. We turn the other cheek. We’ve been kind of backed into a corner now by your president.

#### **speaker 2**

[BLEEP]: America, [BLEEP]: Donald Trump.

#### **speaker 3**

How can American people back this man?

#### **speaker 4**

I don’t buy any more USA products. Just buy Canadian goods.

#### **speaker 5**

I will not buy anything from America. In fact, I’ve told anybody and everybody I possibly can, don’t ever go down to America. Don’t.

#### **speaker 6**

I served in our Canadian Navy. And nothing irritates me more than when somebody looks down their nose at us.

#### **speaker 5**

I’m very, very proud to be a Canadian.

#### **speaker 7**

We were born Canadian, and we will die Canadian.

#### **anna foley**

Who do you blame for all of this?

#### **speaker 5**

Ha! Who do we blame? The American citizens.

#### **speaker 6**

I don’t think we’ll ever be the same as friends, neighbors.

#### **speaker 8**

They want everything from us, yeah. Without us, they can’t survive regardless, eh?

#### **kim severson**

From “The New York Times,” I’m Kim Severson, and this is “The Daily.” A gloves-off trade war with America is uniting Canadians from all corners of the country against its southern neighbor. Today, my colleague Matina Stevis-Gridneff on what that trade war means for the future of the relationship and how this fight is shifting the country’s politics, its culture, and its place on the global stage. It’s Thursday, March 13. Matina, you’ve been traveling across Canada reporting on what’s turned out to be a very big news week. Thank you for taking the time to come on the show.

#### **matina stevis-gridneff**

Thank you so much for having me, Kim.

#### **kim severson**

So coming into his presidency, I think there was an expectation that Trump might make waves on matters of international diplomacy, but I don’t think many of us had “make Canadians really, really angry” on their bingo card.

#### **matina stevis-gridneff**

Oh, totally. I mean, I took up my posting as Canada Bureau Chief in August, and I thought this was going to be a good posting for my work-life balance. Little did I know. I mean, it’s been a really extraordinary stretch since the election, for sure.

#### **kim severson**

So let’s rewind a little, and just remind me of how we got here. We’re in a place where Canadians who, to many Americans, seem very, very nice, have turned downright hostile and find themselves in such a political vise.

#### **matina stevis-gridneff**

Sure. I mean, I think the first signs that something was going to go wrong emerged in early December, when Prime Minister Justin Trudeau flew to Mar-a-Lago to sit down for dinner with President-elect, at the time, Trump. And the dinner was feted as a success for Trudeau to be able to get face time with Trump. And it seemed cordial enough. There were photos of everyone smiling and jokes.

#### **archived recording 1**

And tonight we’re getting some new details about that Trump-Trudeau dinner from two people who were at the table.

#### **matina stevis-gridneff**

But it does sound like that’s when Trump sort of started raising complaints about the US relationship with Canada —

#### **archived recording 2**

Fox News is reporting that Trudeau warned Trump that his tariff proposal would kill the Canadian economy, to which Trump replied that Canada could then become the 51st state and that Trudeau could be governor.

#### **matina stevis-gridneff**

— and made the supposed joke of Canada becoming the 51st state of the United States.

#### **archived recording 2**

That meeting did not appear to go well.

#### **matina stevis-gridneff**

The Canadian delegation brushed that off at the time, but it would come back to haunt them.

#### **kim severson**

Right, I think a lot of us did. And no one knew if it was one of the many things that he says that you don’t know whether to take seriously or not.

#### **matina stevis-gridneff**

For sure. And I think that at first, that was generally seen as a troll. A lot of people thought it was quite personal to Trudeau, because we knew Trump doesn’t like Trudeau much from his first presidency. But I think that we started realizing it is probably something more ominous when Trump gave a press conference on January 7.

#### **archived recording (donald trump)**

So thank you all for coming. We’ll take a couple of questions. Yeah.

#### **matina stevis-gridneff**

And our own colleague, David Sanger of “The New York Times,” asked him about his claims on Greenland, which is an autonomous area of Denmark, and the Panama Canal and Canada.

#### **archived recording (david sanger)**

Can you assure the world that as you try to get control of these areas, you are not going to use military or economic coercion?

#### **archived recording (donald trump)**

No.

#### **matina stevis-gridneff**

And he specifically asked, are you going to use force to annex these places? And Trump said —

#### **archived recording (donald trump)**

Economic force.

#### **matina stevis-gridneff**

— economic force.

#### **archived recording (donald trump)**

Because Canada and the United States, that would really be something.

#### **matina stevis-gridneff**

So by late January, it becomes clear President Trump is being serious about imposing tariffs on all Canadian and Mexican goods being imported into the United States. I mean, you have to remember, Canada and the United States are each other’s closest trading partners. The United States is a destination for about 80 percent of goods that Canada exports, including, for example, its oil and gas. And so this is a core existential economic relationship. And those tariffs that President Trump is threatening to slap on Canadian goods, they have the potential to derail the Canadian economy.

#### **kim severson**

Right, and we’ve talked on the show before about the threat of tariffs and the way Trump justified them at the outset, is that he would be using them as a way of forcing our neighboring countries to reduce both migrant traffic and drug traffic from coming into the US. But these are not, seems to me, major problems at the border of Canada. So was there a sense among the Canadian government that this was about something else?

#### **matina stevis-gridneff**

Absolutely. And I think where we really came to see this — and it took some time for the reporting to come together — is over the course of two phone calls that President Trump and Prime Minister Trudeau held on February 3. So what happens on those calls is that President Trump lays down for Prime Minister Trudeau a number of grievances that he has with the economic and trade relationship between the two countries. These were generally well-known problems or concerns from the American side. The US wanted better access to the Canadian dairy market and the banking sector. But then President Trump raised something much more fundamental. He tells Trudeau — and apparently, he’s reading off a memo, according to our sources — he tells Trudeau, and I don’t like the border treaty between our two countries. This is a 1908 treaty that demarcates the boundary between the two nations. And President Trump just tells Prime Minister Trudeau he thinks it’s not valid and should be revisited. He also tells him he doesn’t like the way the two countries share water. We know President Trump is really interested in Canada’s water. He thinks Canada has too much of it. And he also raised this to Trudeau, that he wants to revisit water agreements between the two countries. And so suddenly we go from “I don’t like the way we trade and how our economies are integrated” to “nice country you got there. Shame if something happened to it.”

#### **kim severson**

I mean, this seems like an extraordinary moment. Here’s Trump on the phone with Trudeau essentially saying, I don’t respect your borders or your sovereignty. How was the Canadian government reacting to all this at this point?

#### **matina stevis-gridneff**

It was shock and anger and panic stations after that phone call. And Trudeau makes it quite clear that we’re going to hit back on US products with our own tariffs if this threat materializes and becomes reality. And I think this is a good point to remind people — Trudeau is going through his last weeks in office. He has said he’s going to resign, and we’re expecting him to be out of government by the end of March. And so he takes this quite aggressive stance, even though he’s almost out of government.

#### **archived recording (justin trudeau)**

And now, as Canadians face from our neighbor an existential challenge, an economic crisis, Canadians are showing exactly what we are made of.

#### **matina stevis-gridneff**

And this is something he starts giving speeches on and leans into.

#### **archived recording (justin trudeau)**

Freedom is not a given. Even Canada is not a given. None of those happen by accident. None of them will continue without effort.

#### **matina stevis-gridneff**

Sort of quite emotionally, he says, we didn’t ask for this fight, but we will stand up for our country.

#### **archived recording (justin trudeau)**

We’re a country that will be diplomatic when we can, but fight when we must, elbows up.

#### **matina stevis-gridneff**

And it works. These speeches do galvanize Canadians.

#### **archived recording 3**

Elbows up, folks.

#### **archived recording 4**

Elbows up time.

#### **archived recording 5**

It means we’re about to fight.

#### **matina stevis-gridneff**

They say “elbows up,” borrowing a term from hockey and showing that they want to defend their country.

#### **archived recording 4**

Ladies and gentlemen, Canada will never bend. We will never kiss the gangster’s ring.

#### **matina stevis-gridneff**

The public is really reacting very organically.

#### **archived recording 6**

War is officially on. So if you’re Canadian, now more than ever, it’s so important to be shopping Canadian products.

#### **matina stevis-gridneff**

We’re seeing “Buy Canadian” signs. Grocers are putting up flags to tell consumers which products are made in Canada so that they can prefer them over American products.

#### **archived recording 3**

Having my coffee. It is not Folgers. I’m done with Folgers. It is now Canadian coffee.

#### **matina stevis-gridneff**

I mean, it was remarkable to watch this anger become a visible thing, seeing anti-Americanist feelings foment. And we start hearing something, I mean, truly remarkable — Canadians booing the American national anthem in hockey games. And while we’re on the topic of hockey, folks are even angry with Gretzky, who’s like a national hero here. He’s like a symbol.

#### **kim severson**

Wayne Gretzky, the big Canadian hockey hero, right.

#### **matina stevis-gridneff**

Absolutely. Well, also a close friend of Donald Trump.

#### **kim severson**

Ah.

#### **matina stevis-gridneff**

And so he suddenly has this fall from grace, and Canadians are treating him like a traitor. So these feelings are just really brewing, are very powerful. They’re finding expression in various ways across Canadian society. This is not like a minority situation.

#### **kim severson**

I don’t really want to play Canada’s therapist here, but what’s behind the reaction? Is it defiance? Is it betrayal? I mean, what do you think is unifying the Canadians at this point?

#### **matina stevis-gridneff**

I mean, I think it’s all of the above. It’s anger. It’s betrayal. Betrayal by a friend hurts so much more. And from the political elite of the country, all the way down to the street and ordinary Canadians, the nation is going through a range of emotions — anger, fear, insecurity.

And I think it goes beyond being just a moment. It has the potential to alter the course of Canadian history. And we’re already seeing the first sign of that.

#### **kim severson**

We’ll be right back.

#### **kim severson**

Matina, you were telling us that what’s happening in Canada in response to the trade wars and to the intense rhetoric coming from the Trump administration was beginning to change Canada in some extremely significant ways that really have long-term implications. Can you tell me what you mean by that?

#### **matina stevis-gridneff**

Well, Kim, back in January, when this problem was gathering pace, Justin Trudeau was resigning. His party, the Liberal Party, who have been in power for nearly 10 years, were facing dismal polls. They were 20-plus percentage points behind the opposition, the conservatives, led by Pierre Poilievre. And in the federal elections looming, it was sort of a foregone conclusion that the conservatives were going to win. Poilievre was going to be the new prime minister. He had these ideological and stylistic affiliations to the MAGA movement and the sort of more right-wing populist movement. And that was kind of what was going to happen in Canadian politics. But things started to rapidly change, just as Trump escalated his menacing rhetoric about Canadian sovereignty and went ahead with his tariff threats. Something, I mean, truly remarkable happens, and I spoke to pollsters. One of them, a really seasoned pollster, told me that he’s never seen this in his entire career. We go from “the Liberal Party’s dead, and they’re going to be going into political exile for a long, long time” to this liberal revival. The anti-US, anti-Trump sentiment is basically doing huge favors to the Liberal Party, even rehabilitating the image of Justin Trudeau to a certain extent, who was loathed to the extent that he had to resign in early January, right? And so it sets the scene for a stunning and pretty rapid reversal of fortunes for the Liberal Party as it goes into a leadership race to elect its new leader, the person who’s going to replace Justin Trudeau as party chief and as prime minister.

#### **kim severson**

So what happens?

#### **matina stevis-gridneff**

Well, the party rallies in a dramatic way around one candidate. His name is Mark Carney. Mark Carney is not a politician. He’s a political novice who hasn’t held elected office, but has been in the public eye for many, many years, really his entire career. He was the governor of the Bank of Canada during the global financial crisis of 2008. And then he went on to become the governor of the Bank of England during Brexit.

#### **kim severson**

So Canadians know him as a solid economics policy guy.

#### **matina stevis-gridneff**

For sure. But people point out that Carney is not a natural-born politician. He’s not oozing charisma. I think when he started his campaign in January, polling showed one in three Canadians only could recognize his photo, could name who he was. And nonetheless, the moment he’s in and the anti-Trump sentiment, the fear and concern Canadians are feeling and the anger just turbocharges his campaign. So people are looking to Carney as someone who can potentially make a deal with Trump, but also steer the country through what will be a challenging economic period. People think he knows what he’s doing. But Carney has a huge challenge in his hands. And that’s that he has to be campaigning for his job as prime minister while being prime minister. He’s expected to get sworn in any day now.

#### **kim severson**

OK, can you remind me how this works? So he’s serving as prime minister, and then he has to run fairly soon again as prime minister? Can you just give me the little Canadian Parliament 101?

#### **matina stevis-gridneff**

Absolutely. It is a little complicated. But Canada has a sort of parliamentary system where the leader of the party in power is the prime minister. And so Mr. Carney has been elected as leader of the Liberal Party. And so he will be sworn in as prime minister. But by Canadian political rules, the country needs to hold an election by October. And so our expectation — and Mr. Carney’s campaign has indicated this — is that he will call for a federal election really early on after he is sworn in, and seek to capitalize on his momentum to get a mandate at a national level from Canadians.

#### **kim severson**

That seems kind of head spinning. So he’s got to ride the momentum, right? But he also has to be kind of avoiding an all-out trade war with Trump, cut a deal, still look like he’s standing up to Trump. This seems like an incredible needle to try to thread.

#### **matina stevis-gridneff**

I agree. I think it’s a really difficult balancing act.

#### **archived recording (mark carney)**

Hello. [NON-ENGLISH SPEECH] Wow.

#### **matina stevis-gridneff**

In his acceptance speech of the leadership, Mark Carney was barely celebratory, frankly.

#### **archived recording (mark carney)**

The Americans want our resources, our water, our land, our country. Think about it. If they succeeded, they would destroy our way of life.

#### **matina stevis-gridneff**

He made like a wartime speech, and he was clear that he was going to be very aggressive against the United States.

#### **archived recording (mark carney)**

And my government will keep our tariffs on until the Americans show us respect.

#### **matina stevis-gridneff**

That was like a really striking moment.

#### **archived recording (mark carney)**

[NON-ENGLISH SPEECH]

#### **matina stevis-gridneff**

But at the same time, he’s going to have to deal with President Trump. And that kind of rhetoric doesn’t play very well with President Trump.

#### **kim severson**

So what about Poilievre? I can imagine that being a right-wing populist who was compared to Trump is suddenly not a great thing to be in Canada.

#### **matina stevis-gridneff**

That’s right. I think that Pierre Poilievre is not Trump, but his detractors here in Canada call him “Maple MAGA.” That’s kind of the slur they use against him. And even though many of his policies are pretty sort of mainstream, vanilla, moderate conservative policies, he does borrow from the MAGA playbook. And so that is not a great situation to be in when your country suddenly turns against President Trump and everything he stands for in such a huge and visceral way.

#### **kim severson**

Is he trying to put distance between himself and Trump? Has he shifted his campaign?

#### **matina stevis-gridneff**

Well, the conservatives are really trying to stage a pivot. They still have a solid chance at winning the federal election when it happens. According to polls, they’re sort of neck and neck with Carney and the liberals. But their leader has to just do a whole new thing now. So what they’re doing is they are really distancing themselves from President Trump, saying that the rhetoric and the threats coming out of the White House are not what they believe in. They’re going to stand up to President Trump. And recently, President Trump gave an interview to a British magazine, and he said, oh, I’m not so sure what I think about this Poilievre guy in Canada. He’s not a MAGA guy. And boy, did Pierre Poilievre grab that opportunity.

#### **archived recording (pierre poilievre)**

The president says that he doesn’t like me. He doesn’t think that I’m a MAGA guy. I am not. It is true that I am Canada First.

#### **matina stevis-gridneff**

He says, you’re right, Mr. President. I’m not a MAGA guy. I’m a Canada First guy.

#### **archived recording (pierre poilievre)**

And if that upsets foreign leaders, including the American president, I am fine with that because I have one job to do, and it’s to fight for this country. We will never be the 51st state. And I will always stand up for our flag and our people.

#### **matina stevis-gridneff**

So the opposition party, the conservatives, need to reinvent themselves, frankly, more close to the center to have a fighting chance in the elections. So it’s a kind of odd moment of political consensus in a country that was, five minutes ago, going through this incredibly polarizing political situation.

#### **kim severson**

Are either of these candidates articulating what the future of Canada would look like? Are they talking about what would happen if the United States isn’t at play anymore?

#### **matina stevis-gridneff**

Absolutely, Kim, and I think that’s just been something really interesting to observe. There’s clearly an existential crisis happening with the Canadian economy, and this huge breakdown in the relationship with the United States is driving it home. So both candidates and both parties are talking a lot about what a future of a successful Canada would look like, diversifying away from the United States dependence. And part of the reason they want to be doing this urgently is that the situation with the tariffs from the United States is like shifting sands. The one day, it’s going to be 25 percent on everything. The next day, that’s cancelled, but it’s going to be 50 percent on steel. And so this is a very destabilizing situation for the Canadian economy. And Canada doesn’t have a lot of other customers. They sell most of their stuff to Americans. And that’s why they’re looking much more toward Europe. I mean, half of Canadians, according to a recent poll, want to even join the European Union.

#### **kim severson**

That’s amazing. Wow.

#### **matina stevis-gridneff**

I know. That’s how far this is going. But they’re also looking to improve other relationships. Right now, they’re in a really tough spot with China, which is another top trading partner. The Chinese have imposed tariffs on Canada, sort of trying to squeeze them not to cut a deal with the United States on tariffs and trade. And so they’re finding themselves in a really difficult position when they need to strategically rethink their global economic and trade links. And both the liberals and the conservatives are casting a wider net around the world for new best friends.

#### **kim severson**

Matina, in any good relationship, trust is essential. So in this relationship between the United States and Canada, let’s say Trump goes back on the tariffs, decides that he wants things back to the way they were with Canada. Can the relationship be put back together again?

#### **matina stevis-gridneff**

I mean, I think obviously, the breach of trust and the uncertainty has already caused a lot of damage, even economically. There’s been market volatility. Investment has been frozen. And so folks are already hurting financially here in Canada. And of course, it goes deeper than that. There’s a break in trust that feels really meaningful. Right now, it does feel kind of permanent. But it is conceivable that in the future, there could be perhaps different leaders on both sides, and those fences could be mended, but it will be on new terms. What I’m seeing here in Canada is a really energized willingness to redefine what it is to be Canadian, both at home and on the world stage, through new economic relationships and more defined cultural references, too. I think even if this episode were to just end tomorrow, it would still have a lasting legacy of seeing a more clear, a more assertive, and a prouder, a more Canadian Canada.

#### **kim severson**

Matina, as always, thank you.

#### **matina stevis-gridneff**

Thank you, Kim.

#### **kim severson**

On Wednesday, hours after Trump’s global tariffs on steel and aluminum took effect, the Canadian government retaliated with new tariffs on $20 billion of US imports. That came as the European Union also hit back with new levies against American goods. Trump, who, earlier this week, declined to rule out the possibility that his economic policies would cause a recession, vowed to respond, saying, quote, “Of course I’ll hit back.” We’ll be right back.

#### **kim severson**

Here’s what else you should know today. In what the Trump administration is calling the “largest deregulatory announcement in American history,” the Environmental Protection Agency Wednesday said it would unwind dozens of regulations, among them, protections for wetlands and limits on how much soot can pour from smokestacks. Most significantly, the administration plans to erase the EPA’s legal authority to regulate greenhouse gases by reconsidering decades of science that highlight the dangers of global warming.

#### **kim severson**

Today’s episode was produced by Shannon Lin, Nina Feldman, Michael Simon Johnson, and Anna Foley, with help from Alex Stern and Stella Tan. It was edited by Chris Haxel, Devon Taylor, and MJ Davis Lin, contains original music by Dan Powell and Sophia Lanman, and was engineered by Alyssa Moxley. Our theme music is by Jim Brunberg and Ben Landsverk of Wonderly. That’s it for “The Daily.” I’m Kim Severson. See you tomorrow.