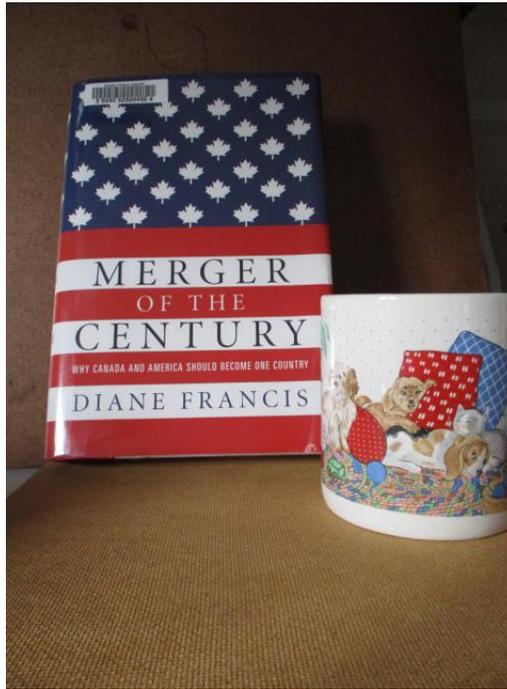


Why Canada and America Should Become One Country

By Rod Fraser



I first became interested in the idea of Canada becoming part of the United States, after reading a book by Peter Brimelow in the mid-1980s. This was just a few years after the first Quebec vote on independence — which went down to defeat by a 60-40 margin.

It seemed to Brimelow that Canada was an unnatural country, perplexed and obsessed with the challenge of coping with the French fact, and content to ignore the needs and interests of regions outside the heartland of Ontario and Quebec.

Brimelow's book, *The Patriot Game: National Dreams and Political Realities* is dated now, having been written over thirty years ago. The separation of Quebec from Canada is now less of an issue, the National Energy Policy of Pierre Trudeau's time was repealed years ago and there is much to celebrate in Canada.

The economy has been buoyant for many years and we are, by any standard, a wealthy, prosperous country.

Still we have many problems, among them an economy largely dependent on the United States, an inability to get much of our oil to tidewater, government debt levels that are far too high, an aging population, shrinking foreign investment, American economic nationalism and a growing geopolitical threat from China — just to name a few.

So it was with great interest that I recently read Diane Francis' book, *Merger of the Century: Why Canada and America Should Become One Country*. Keep in mind — this book is a little dated. It was

published in 2013, three years before Donald J. Trump was elected President.

America has since become a net exporter of oil, a ruthless competitor and a scold—demanding their allies pay their fair share of collective defence. If anything, the last five years have conspired to make Francis' arguments all the more compelling.

Diane Francis is a dual citizen of Canada and the United States, and in my opinion, that gives her special standing to opine on these matters. She has lived in Canada since she was nineteen years of age and was brought up in Chicago.

After finishing high school and immigrating to Canada, Francis learned journalism the old fashioned way. She worked for a small daily newspaper, *The Brampton Times*.

Over time, this led to jobs at larger newspapers and magazines. For the past twenty years, she has been a financial columnist at the National Post. She is also a 'distinguished professor' at Ryerson University.



Here are some of the arguments for tearing down the border and becoming 'CanAmerica'. Not all are mentioned in Francis' book. Some of them are my

ideas, accumulated over years of thinking about this issue.

1). Our prosperity is tied to access to the American market. Over three-quarters of Canada's exports go to the United States. Trade with the U.S. accounts for 20% of our GDP. In recent years, border crossings have become gridlocked (e.g. truck bottlenecks at land crossings and long lineups at airports), largely due to American security concerns, increased trade volumes and bureaucratic inertia.

2). Exchange costs aren't cheap. Every time a Canadian company (or individual) purchases American dollars, there is a cost. Coupled with customs clearance fees, tariffs and duties, these costs eat into the profitability of Canadian corporations.

3). Although we have a renegotiated USMCA agreement in hand, it is clear politicians in the U.S. can (and will) renegotiate its terms whenever they choose to do so. For the most part, we have to accept the terms on offer, since the alternative — losing access to the American market — would be a serious blow to our economic well-being.

4). It seems clear that building pipelines to tide-water is no longer politically possible in Canada. In

the United States, the rules concerning Interstate Commerce would ensure that Alberta had the right to build pipelines to move their oil to market. It seems unlikely Canada will ever adopt such laws. This makes a compelling case for joining the United States to ensure our economic prosperity.

5). The upcoming economic threat from China suggests we are facing a new world order. To survive and prosper in an increasingly competitive and hostile world, countries will have to carefully consider their options. In the case of Canada and the United States, millions of jobs might be created and synergies realized, if American capital and expertise were coupled with Canada's competitive advantage in natural resources.

6). Canada and the United States share a common language and many values. If being North American is 100% of the totality of who we are, then being Canadian is likely to be less than 10% of that reality.

7). There are approximately 3 million Canadians living in the United States today, many more if you consider those Americans who have a connection to Canadian family members — either now or in the more distant past. Cross border marriages, real estate ownership, business relationships, vacations,

investments and educational opportunities in the United States have given Canadians lots of exposure to Americans. On the whole, these experiences have been positive. There is a high degree of trust with our two populations.



Francis concedes the politics of a merger would be difficult — if not impossible — at this time. It would be more likely to occur, if something drastic happened to the Canadian or American economies, and merger seemed the best solution available.

When I spoke to my neighbour about this idea, he was all for it. But he wondered if our American neighbours would agree to it. The addition of twenty Democratic Senators from Canada might not be a welcome idea to conservatives in the United States.

He has a point, but America is in trouble these days. The people live in two hostile camps and are greatly in need of a unifying idea. 'Manifest Destiny' was the idea that built America in the past and 'Manifest Destiny', through the creation of ten additional states (formerly Canadian provinces) might be that unifying idea for today.

Of course, there are Canadians, other than my neighbour, who are adamantly opposed to any

merger with the United States. All the more so, if the politics of America doesn't improve. This is a reasonable point of view and Francis provides some ideas to counter these objections.

In the event a merger isn't doable, she sets out other alternatives for further economic integration, assuming the two countries might well decide to move in that direction.

The one I favour is that of a monetary and customs union. We would agree with the Americans to have common external tariffs against other countries, while goods flow tariff-free between our two countries. We would give up on the Canadian dollar and use U.S. dollars as our currency.

A common immigration law would be implemented and enforced by both countries. There would be little need for a border. Canadians would be free to work, attend school or retire in the United States as they wished. Taxes would be payable to the county in which each person was resident.

My strongest recommendation is that the federal government create a Royal Commission to study these options, as well as other opportunities and threats to our economy in the years ahead.

If the government has to move quickly to stave

off a major future threat to our economy, they will then have a number of reasoned studies to guide them. The MacDonald Royal Commission on Free Trade from the 1980s should be the template.

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