

REED W. TURCOTTE

**ENEMY
BELOW**



**The Land Of The Free, Is Pushing
Hard For Canada & Mexico To Do A
Full Rebrand**

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ENEMY BELOW

By Reed Turcotte

Newspaper & Magazine Publisher, Historian,
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E-Edition

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“The words that affect us most are the ones that inspire mankind to think for themselves.” ... Reed Turcotte (1991)

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~

Prologue

Now in 2025, the groundwork for a fractured North America is firmly in place. Economic exploitation, security concerns, tariffs and ideological differences has transformed the United States and Mexico from a trusted Canadian partner into a perceived enemy. This legacy of mistrust has laid the foundation for the conflicts that will most likely escalate in the decades to come.

In the early 1900s, tensions between Mexico and its northern neighbors began to simmer with the United States who were fresh off their expansionist ventures in the late 19th century and viewed Mexico as a critical piece in its vision for regional dominance. The Mexican Revolution (1910–1920), a decade-long upheaval, destabilized the country and drew significant attention from Washington. While the U.S. officially declared neutrality, it frequently intervened under the guise of protecting American interests, particularly in Mexico's oil-rich regions.

By the 1920s, American companies controlled much of Mexico's oil production, fueling resentment among Mexicans. The United States responded harshly to any attempts by Mexican leaders to nationalize resources. President Lázaro Cárdenas' 1938 decision to expropriate foreign oil assets infuriated U.S. and Canadian investors alike, solidifying Mexico's image as a defiant actor in North America.

While Canada largely stayed out of direct conflicts during this period, it stood in solidarity with the U.S. economically, fostering a perception in Mexico that both northern neighbors sought to exploit the country's resources. During the Cold War, Mexico's neutral stance and its relationships with socialist movements created friction with the United States. Washington feared that Mexico could become a gateway for communist influence in North America. The Central Intelligence Agency (CIA) was suspected of covertly interfering in Mexican politics to suppress leftist movements, further straining relations.

Meanwhile, economic disparities along the U.S.-Mexico border fueled migration, leading to social and political tensions. In the 1950s, the Bracero Program, which allowed temporary Mexican laborers into the U.S., ended abruptly, stranding thousands of workers. This marked the beginning of a more contentious relationship over immigration policy. Canada, though geographically removed from these struggles, became increasingly aligned with the U.S. through alliances like NATO and NORAD. This alliance framed Mexico as an outlier in a North America otherwise united by Western democratic ideals, deepening regional divides.

By the early 21st century, the rise of powerful drug cartels in Mexico posed a significant threat to regional security. The U.S. and Canada viewed Mexico's inability to contain the cartels as a failure that endangered all of North America. The Mérida Initiative, a security cooperation agreement launched in 2008, aimed to combat drug trafficking but was criticized for militarizing Mexico and exacerbating violence.

Meanwhile, Mexico accused the U.S. of fueling the drug trade through its insatiable demand for narcotics and blamed both northern neighbors for the flow of illegal firearms into the country. This mutual recrimination created a climate of distrust.

The post-9/11 era marked a critical shift - the U.S. and Canada tightened their borders, effectively isolating Mexico. Trade slowed, migration became more perilous, and Mexico's economy suffered. The disparity in security policies alienated Mexico further, leading its leaders to seek partnerships with other global powers as a counterbalance.

Now in 2025, the groundwork for a fractured North America is firmly in place. Economic exploitation, security concerns, tariffs and ideological differences has transformed Mexico from a partner into a perceived threat (enemy). This legacy of mistrust has laid the foundation for the conflicts that will most likely escalate in the decades to come. This historical perspective highlights the complex interplay of

economics, politics, and cultural dynamics that could lead to strained relations between Mexico, the United States, and Canada. How did this happen?

At first glance, the answer seemed to lie in economics and geopolitics. Over the past decade, Mexico had undergone a radical transformation. Fueled by a populist resurgence, the nation prioritized its sovereignty and regional influence, rejecting what its leaders called "economic colonialism" by its northern neighbors. In 2029, Mexico could withdraw from the United States-Mexico-Canada Agreement (USMCA), citing unfair trade practices and a desire to forge new partnerships with emerging powers like China and Russia.

A full withdrawal would send shockwaves through North America's tightly interwoven economies, much as is happening in early 2025 due to U.S. tariffs. The United States and Canada, once reliant on Mexico's cheap labor and strategic manufacturing, would then face significant disruptions. Factories would close, supply chains falter, and unemployment surge. The rhetoric in Washington and Ottawa could shift swiftly, casting Mexico as a saboteur of economic stability, again, as is happening to the United States who Canada and Mexico are now calling the enemy, due to the twenty-five per cent tariff applied by President Trump.

But the economic fallout would only be the beginning. Mexico's new alliances posed a more direct threat. As part of its pivot to China and Russia, Mexico began hosting military advisors and joint exercises with these global adversaries. Chinese naval vessels were spotted in Mexican ports, while Russian military bases sprouted near the southern borders of the United States. For decades, North America had been an insulated theater, protected by vast oceans. Now, threats loomed just across the Rio Grande.

The tipping point though, started in 2025 when newly elected President Donald Trump imposed tariffs on Canada and Mexico. Looking into the future (and this is only a possible scenario), it could be as simple as a cyberattack crippling major infrastructure in the United States and Canada with power grids, financial institutions, and even military

communications paralyzed for days. Though the source of the attack was traced to a group of rogue operatives in Mexico (again – only a possibility), the Mexican government could deny involvement and refused to extradite the suspects. This refusal, coupled with growing evidence that the attack was coordinated with Russian and Chinese assistance, led Washington and Ottawa to label Mexico a national security threat.

Public sentiment in the United States and Canada would most likely turn hostile. What had once been a friendly, albeit complicated, relationship would give way to suspicion and resentment. Politicians seized on the opportunity to stoke nationalist fervor, blaming Mexico for a range of domestic issues. Walls along the border would be fortified, trade sanctions imposed, and diplomatic channels froze.

However, in Mexico, a different narrative could emerge. Mexican leaders may argue that their pivot away from North America was a necessary act of self-preservation. For centuries, they claimed, Mexico had been relegated to a subordinate role, its resources exploited, and its sovereignty undermined. The partnerships with China and Russia were framed as a rebalancing of power, a chance for Mexico to emerge as a leader on the global stage.

The Mexican populace could largely rally behind this vision. National pride could soar as the country resisted pressure from its northern neighbors. Yet beneath this surface unity lay deep divisions. But maybe not everyone agrees with the government's confrontational stance, and whispers of dissent hinted at potential unrest.

By 2035, the situation could very well have reached a stalemate. The United States and Canada likely will implement a near-total embargo on Mexican goods, devastating Mexico's economy. In retaliation, Mexico will threaten to restrict access to vital resources, such as lithium, essential for North America's growing renewable energy sector. Cross-border relations will by this time degenerate into a dangerous game of brinkmanship.

In private, cooler heads on all sides will acknowledge the folly of the growing conflict. Scholars and diplomats will warn that further escalation could lead to catastrophic consequences, potentially even war. Some advocated for a new summit, a chance to negotiate a détente and rebuild trust. Yet the wounds of betrayal, both perceived and real, will run very deep.

In the meantime, the daily lives of ordinary citizens will bear the weight of the tension. Families straddling the border found themselves caught in a web of suspicion and bureaucracy. Trade routes that had once brought prosperity to countless communities became battlegrounds for economic warfare. And as the specter of military confrontation looms, the dream of a peaceful, united North America very likely seems like a relic of the past.

A question will remain: Was reconciliation possible? Or had the ties that once bound Mexico, the United States, and Canada unraveled beyond repair? In the end, the answer will depend not on governments (especially misguided Presidents) or generals, but on the will of the people to envision a future free from the shadows of animosity and mistrust.

Chapter One

Is Mexico The Real Enemy?

Americans believe that their government is responsible for preventing illegal immigration from Mexico and other countries, as well as drug trafficking coming in from Mexico and to a lesser extent - Canada. Citizens of America also feel the Mexican government should shoulder more of the responsibility for combating organized crime in Mexico. Eight in ten Americans think preventing illegal immigration across the U.S.- Mexico border is an important foreign policy goal and more than seven in ten say the same for creating more opportunities for legal immigration and increasing trade with Mexico. Fewer view reducing inequality and poverty in Mexico as an important foreign policy goal.

These are very strenuous times for the U.S.– Mexico and Canadian dealings with each other. The United States opioid outbreak has now reached unmatched proportions causing American politicians to have begun to advocate unilateral armed action against Mexican drug cartels in sovereign Mexican territory. This approach could possibly not only do extraordinary damage to one of America’s most vital international relationships but also carry a real risk of importing violence into the United States itself. The calls for military action have infuriated Mexico’s leaders, who in turn criticize America’s broken and inhumane border security and Washington’s inability to curb the seemingly insatiable demand for drugs in the United States. The basis for the neighboring nations’ security cooperation, the 2008 Mérida Initiative, seems to have failed, largely failing to stem the tide of violence and instability in Mexico, or to halt the cross border flow of migrants, guns, and drugs. The result is poor regional security and a deteriorating

bilateral relationship. There is reason to hope that the Plan Mérida’s replacement, the U.S.–Mexico Bicentennial Framework for Security, Public Health, and Safe Communities, will strengthen bilateral cooperation and help put security relations on a path to demilitarization.

Since the State Department announced the framework in 2021, little progress has been made in developing the shape and contents of this program. The continued failure to articulate how the Bicentennial Framework will represent a meaningful break from failed policies in the past suggests militarized enforcement may still dominate security relations for years to come.

This status quo poses grave risks to both countries. But through the Bicentennial Framework, U.S. policymakers have the potential to make meaningful changes in bilateral security relations by: Rejecting U.S. unilateralist measures against Mexico, developing more robust policies to halt U.S. arms ow to Mexico, reducing the military’s role in enforcement functions and redirecting military entities toward civil action and development, supporting Mexico–led development programs By decreasing the scope of militarization in regional security policies through an appropriately designed Bicentennial Framework, the United States and Mexico can achieve healthier and more balanced relations, and eliminate the risk of a worst-case scenario: unilateral U.S. military intervention next door.

In January 2023, four days after authorities in the northwest Mexican state of Sinaloa captured Ovidio Guzmán, son of the infamous cartel leader Joaquin “El Chapo” Guzmán, President Joe Biden traveled to Mexico City to meet with Mexico’s President Andrés Manuel López Obrador and Canada’s Prime Minister (at the time) Justin Trudeau. At the so–called 1 Tres Amigos Summit, the leaders held talks to discuss key issues affecting their countries — such as migration, the drug trade, the economy, and climate change. The talks occurred amidst tensions that have divided the continent for years over issues like the unabated cross–border owes of drugs, migrants, and arms and

an unstable security situation in Mexico. Fentanyl tracked by Mexican drug tracking organizations (DTOs) killed as many as 70,000 Americans last year. The number of Mexican citizens migrating to the United States had decreased since the late 1990s but increased again between 2009 and 2018 with approximately 174,000 Mexican citizens migrating.

While migration remains a divisive issue in U.S. politics, the tracking of U.S. arms is a major issue for Mexico. An estimated half-million weapons enter Mexico from the United States illegally each year, many of them military-style assault weapons which end up in the hands of criminal enterprises. Meanwhile, U.S. politicians have called for unilateral military action against Mexican cartels. Leading political leaders are rallying behind an aggressive new approach of bombing Mexican cartels as a means of combating the U.S. fentanyl crisis. Lawmakers like Senators Lindsey Graham (R., South Carolina) and John Neely Kennedy (R., Louisiana) are even offering support for the idea of deploying the U.S. military to Mexico with or without the cooperation of the Mexican government. Graham is pushing to designate cartels as “foreign terrorist organizations.” Congressman Michael McCaul (R., Texas) has introduced a bill to classify fentanyl as a “chemical weapon.” Direct U.S. military action against Mexico, once a fringe idea, has quickly become mainstream in the Republican party.

Alarmingly, it is even championed by several 2024 presidential candidates, including former U.N. Ambassador Nikki Haley, who has called for sending U.S. forces to Mexico to attack the cartels “just like we dealt with ISIS.”

Not surprisingly, Mexican president Andres Manuel Lopez Obrador has reacted furiously. At present, there is no indication that the Biden administration (who was still president at that time) would even consider using force against Mexican cartels. Even conservative Democrat Henry Cuellar (Texas), whose district lies along the border, opposes military strikes in Mexico, calling the idea “unrealistic.” But U.S. domestic politics could easily shift in favor of using military force against Mexico in the future. The

persistence of the drug war and attendant calls for U.S. intervention exposes the risks, as well as the inherent contradictions, in the U.S.–Mexico security relations.

The 2008 Mérida Initiative, a joint security cooperation initiative between the United States, Mexico, Central American countries, as well as the Dominican Republic and Haiti, aimed to mitigate challenges to public safety and regional stability. The architects of Plan Mérida directed a majority of its funding to Mexico. The agreement was intended to combat drug trafficking and organized crime by providing tangible support in the form of training, equipment, and intelligence. The Mérida Initiative also established a new architecture for U.S.–Mexican security cooperation by aiding both countries' efforts to stop the flow of money, weapons, and narcotics. The expectation was that strengthening security cooperation would reduce regional violence, decrease drug-induced deaths in the United States, and bring stability to Mexico and its neighbors.

But this has not been the case. Nearly fifteen years after its creation, the impact of Plan Mérida appears to have been more damaging than beneficial. Murder rates throughout Mexico and the Northern Triangle have spiked, destabilizing societies, and accelerating mass migration. Opioid addiction in the United States has reached unprecedented levels, with a new record of more than 109,000 overdose deaths recorded in 2022, according to data released by the Centers for Disease Control and Prevention. Alleged human rights violations by military and police forces drawing support from the Mérida Initiative have also been reported. Meanwhile, the partnership between the United States and Mexico has been significantly undermined in recent years.

The politicization of the migration crisis and the continuing U.S. deaths from fentanyl overdoses have led to strident calls for conducting drone strikes in sovereign Mexican territory against drug cartels. Mexico, under President López Obrador, has criticized the United States on its inhumane border security, as well as Americans'

seemingly insatiable addiction to drugs such as fentanyl, which the president denies is produced in Mexico. The United States has criticized López Obrador for increased violence during his presidency, as well as a decline in democracy and human rights.

A stable, prosperous Mexico friendly to the United States is in Washington's best interest. With the implementation of the North American Free Trade Agreement (NAFTA), and later the United States, Mexico, Canada Agreement (USMCA), the two economies have become deeply integrated. Mexico provides vital manufacturing for U.S. goods and Mexico remains both a top consumer of U.S. goods and an important source of imports for the United States. Ensuring that Mexico continues to develop economically without interference by major DTOs will allow both countries to continue to prosper economically through bilateral trade. An increasingly prosperous Mexico will represent a larger market for U.S. goods and services, benefiting U.S. businesses nationwide, especially in the border regions.

A more cooperative Mexico is likely to reduce flows of both illegal migrants and drugs into the United States. Improving the economic situation in Mexico will reduce some of the push factors that encourage migration to the United States; at the same time, economic opportunities will reduce the draw for laborers and youths to join the drug trade to earn their livelihoods. Successful bilateral policies will encourage continued collaboration between the two countries on myriad issues including migration (which has become an urgent and complex policy challenge), development, drug tracking, and other issues that affect the two countries and require a shared responsibility.

Despite significant effort and investment around the Mérida Initiative - the Mérida Initiative was largely associated with the militarization of Mexico's drug war in the immediate years after its implementation. The earliest goals of the agreement were to provide helicopters and aircraft, communications equipment for criminal information systems, inspection equipment and canine units to assist in interdiction, and technical

advice and training to strengthen Mexican justice institutions. In line with these original goals, funding from 2008 to 2010 provided support to Mexican federal security forces (military and police); this aid included \$590.5 million worth of helicopters and other aircraft. Funding for security, counternarcotics, counter terrorism, and law enforcement programs made use of varying approaches to public security across administrations in Mexico, limited progress has been made as crime rates in Mexico and drug consumption in the United States continue to rise.

Both homicides in Mexico and drug overdoses in the United States are at their highest rates ever. Between September 2020 and September 2021, 87,000 Americans died of drug overdoses, the highest number since the opioid crisis began in the 1990s. Then there is fentanyl, which is cheap, extremely potent, and deadly. Small quantities can be easily hidden. Whereas heroin made up eighty percent of opioid overdoses four years ago, now it makes up less than seven percent of opioid overdoses. Fentanyl seizures by weight more than tripled in the last quarter of 2022 according to a study by the U.S. Customs and Border Protection. This is a shift that has challenged the United States' relationship with Mexico.

Some American politicians have singled out Mexico as a foe, advocating for the unilateral use of the U.S. military to combat drug cartels and criminal organizations. Unilateral military operations against Mexico without the Mexican government's permission are an act of war against a neighbor and will destroy bilateral relations that have been carefully built up over decades. The United States should not conduct such unilateral operations. Unilateral U.S. actions in the law enforcement space would also have the effect of making an important partner hostile to American interests. General Cienfuegos's arrest, for example, undermined trust between the countries.

Sources for this chapter include, Quincy Institute for Responsible State Craft (Aileen Teague),

Chapter Two

Facts You Do Not Want to Hear

“Canada is, and always has been, our country. And we want Canada to be a True North that is as strong and as free as it can be in every way that matters: the best country in the world. That’s why we’re here, that’s why we strive, that’s why we serve. Canada must reflect the true character of the Canadian people: honourable in our dealings, faithful to our commitments, loyal to our friends. By turns, a courageous warrior and a compassionate neighbour. It is our purpose that Canada must be great, it must be great for all Canadians, it must be a country of hope and an example to the world. And only when it is these things, when Canada is all that it can be, only then can we say that our work is done.” ...
Stephen Harper

A boring but also at the same time informative fact sheet regarding North America was put out in 2022 and 2024 by the U.S. Department of State. Reading excerpts from it in this chapter will give ninety-nine percent of North Americans a better understanding of how trade and commerce (legal and illegal) between the three nations of North America works. Although a bureaucratic mumble jumble of words, the fact sheet spells out how working together is best for all of North America – but it also gives an advance look at what or who the enemy below is. It says the United States and Canada share the world’s longest international border, 5,525 miles with one hundred and twenty land ports-of-entry, and our bilateral relationship is one of the closest and most extensive. Nearly \$2.6 billion a day in goods and services trade cross between us every day.

Mexico remains one of the United States’ closest and most valued partners, with a 2,000-mile shared border containing forty-seven active land ports of entry, and a shared history that has established deep cultural and people-to-people ties over two hundred years of diplomatic relations. This bilateral relationship directly impacts the lives and livelihoods of millions of Americans on issues as varied as trade and economic

development, education exchange, citizen security, drug control, migration, human trafficking, entrepreneurship, innovation, environmental protection, climate change, and public health. The broad scope of relations between the United States and Mexico extends beyond official government to government relations to encompass extensive daily commercial, cultural, and educational exchange. Each day, hundreds of thousands of people cross both sides of the border legally to work, live, or visit close relatives and friends. In addition, an estimated 1.6 million U.S. citizens live in Mexico and Mexico is the top foreign destination for U.S. travelers.

The three nations create a partnership on climate change, advances global health security, bolsters cooperation on defense and security, and reaffirms a shared commitment to diversity, equity, and justice. Building on our shared history and geography, our two countries work closely together on multiple levels including collaborating in the fight against the COVID-19 pandemic, an inclusive and robust economic recovery, the global climate challenge, border and national security, global affairs, the opioid crisis, environmental protection, and free trade. The United States-Mexico-Canada Agreement (USMCA) entered into force on July 1, 2020, replacing NAFTA as the free trade agreement for North America.

The USMCA generates job opportunities, improves worker protections, increases agricultural trade, produces new investments in vital manufacturing industries, protects intellectual property rights, creates enforceable labor and environmental standards, and enhances and extends digital trade protections. These are just a few of the areas covered in the USMCA, now considered the new standard for U.S. trade agreements.

The United States and Canada enjoy the world's most comprehensive trading relationship, which supports millions of jobs in each country. Canada and the United States are each other's largest export markets, and Canada is the number one export market for more than thirty U.S. states. In addition, Canada is the single largest foreign supplier of energy to the United States. Canada holds the world's third largest oil reserves and is the

only non-Organization of the Petroleum Exporting Countries (OPEC) member in the global top five. Canada and the United States operate an integrated electricity grid under jointly developed reliability standards. Uranium mined in Canada helps fuel U.S. nuclear power plants.

U.S. defense arrangements with Canada are more extensive than with any other country. The United States and Canada share North Atlantic Treaty Organization (NATO) collective defense commitments. U.S. and Canadian military forces cooperate on continental defense within the framework of the North American Aerospace Defense Command (NORAD), the world's only binational military command. The United States and Canada are working to modernize NORAD to meet modern challenges. The Permanent Joint Board on Defense provides policy-level consultation on bilateral defense matters.

The United States and Canada work in partnership at, within, and beyond our borders to enhance security and economic competitiveness, and to accelerate the legitimate flow of people, goods, and services between our two countries. These efforts include collaboration along four lines of effort: addressing threats early; facilitating lawful trade and travel; enhancing law enforcement collaboration; and promoting resilience, including of critical infrastructure and cybersecurity. We encourage secure and lawful travel through trusted traveler programs including our joint NEXUS program with more than 1.8 million members. We have agreements that allow us to exchange information on visa and immigration applicants and travelers crossing our shared land border, which maintains the integrity of our immigration systems and enhances the security of both countries without causing delays at the border. We also exchange best practices and lessons learned on a wide range of topics such as managing and mitigating public health challenges and natural disasters.

The United States and Canada also collaborate with other partners in the Western Hemisphere, including Mexico in the North American Leaders' Summit revived in 2021, and

in the 2022 Los Angeles Declaration on Migration and Protection, signed by twenty countries in the region.

In the Roadmap for a Renewed U.S.-Canada Partnership, President Biden and Prime Minister Trudeau affirmed their shared commitment to addressing global challenges, and reiterated their firm commitment to the United Nations, G7, and G20 as well as NATO, the WTO, and the Five Eyes community. In addition to close bilateral ties, Canada and the United States cooperate in multilateral groups, including international efforts to combat terrorist financing and money laundering. The two countries belong to a number of the same international organizations, including the United Nations, NATO, WTO, G7, G20, Organization for Security and Cooperation in Europe, Organization for Economic Cooperation and Development, Organization of American States, and Asia-Pacific Economic Cooperation forum.

The United States and Canada coordinate through the High-Level Policy Review Group, which last met in November 2021 in Ottawa. The two countries launched this group in 2009 so that as close allies, Canada, and the United States could coordinate actions in response to pressing global issues as well as work together on the global stage to bring peace, security, democracy, and the rule of law around the globe while rallying international support for shared goals.

As outlined in the Roadmap, the United States and Canada closely align our approaches to the People's Republic of China (PRC), including to address the challenges it presents to our collective interest and to the international rules-based order. This includes dealing with coercive and unfair economic practices, arbitrary detentions of our citizens, national security challenges, and human rights abuses, while cooperating with the PRC on areas where it is in our interest, such as climate change.

The United States and Canada, two of the eight Arctic states, work bilaterally and through the multilateral Arctic Council to address shared challenges, from combating climate change to promoting sustainable economic development. In their Roadmap for a

Renewed U.S.-Canada Partnership, President Biden and Prime Minister Trudeau agreed to launch an expanded U.S-Canada Arctic Dialogue. Canada welcomed President Biden's January 2021 announcement of a temporary moratorium on drilling in the Arctic National Wildlife Refuge. In February 2021, the leaders agreed to help safeguard the calving ground of the Porcupine caribou herd, which migrates across our shared border and is invaluable to the Gwich'in and Inuvialuit peoples' culture and subsistence.

In their Roadmap for a Renewed U.S.-Canada Partnership, President Biden and Prime Minister Trudeau committed to strengthen implementation of the Paris Agreement to increase the scale and speed of action to address the climate crisis. To keep the goal of limiting global warming to 1.5 degrees Celsius within reach, the United States and Canada work across sectors to increase innovation and deployment of technologies to reduce emissions. We also cooperate to deepen understanding of and enhance resilience to shared climate impacts. In addition to close bilateral collaboration, Canada and the United States cooperate in multilateral groups to raise global climate ambition.

The United States and Canada have highly integrated electricity networks, with bilateral trade of \$2.3 billion (USD) carried by over thirty major cross-border transmission lines. Canada is a major power provider to the U.S. northeast and enjoys a \$1.4 billion (USD) surplus in electricity trade. The two countries partner through the North American Electric Reliability Corporation that ensures the safety, security (physical and cyber) and reliability of our shared electricity grid. Import of Canadian hydroelectricity and hydrogen storage have received renewed attention as a means of transitioning to renewable energy, including as base load power for solar and wind power projects.

Canada and the United States have committed to a bilateral initiative to address the considerable number of opioid addictions and opioid-related deaths. A joint action plan, launched in January 2020, helps in combating the trafficking of opioids through law enforcement and border security cooperation, as well as responding to the health consequences of problematic opioid use. In addition to our joint work, the United States

and Canada also participate in addressing opioid concerns through the G7 and the North American Drug Dialogue.

The United States and Canada cooperate closely to resolve and manage transboundary environmental and water issues. A principal instrument of this cooperation is the Boundary Waters Treaty of 1909, which established the International Joint Commission. The United States and Canada have hundreds of environmental and natural resource partnerships at the local, state, provincial, and federal levels. These include the Great Lakes Water Quality Agreement to protect water quality and ecosystem health and the Columbia River Treaty regime. The United States and Canada developed the Columbia River Treaty regime to regulate the flow of the Columbia River to benefit both countries. The United States and Canada began negotiations in 2018 to modernize the treaty regime. Additionally, since 1991 the United States and Canada have had a bilateral Air Quality Agreement to address transboundary air pollution and as a framework for scientific, technical, and regulatory cooperation on air pollution-related issues.

The United States and Canada have worked to support transboundary movement of hazardous waste, municipal solid waste and non-hazardous waste and scrap for environmentally sound management through the use of a bilateral agreement and arrangement. These provide both countries with environmentally sound and cost-effective options for managing waste that may not otherwise be available. The United States and Canada are each other's biggest seafood export markets and share important marine and freshwater fish stocks. The two countries cooperate to manage these resources sustainably through bilateral fisheries agreements, including treaty-based regimes for Pacific halibut, Pacific salmon, and fisheries in the Great Lakes, as well as through multilateral fisheries management bodies and other international high seas governance initiatives.

Canada is a major supplier to the United States of critical minerals and has the potential to become a major supplier of more (at least if the trade wars subside). The United States and Canada could cooperate on efforts to support a more secure supply chain

for critical minerals through a bilateral working group and joint Action Plan. In their Roadmap for a Renewed U.S.-Canada Partnership, former President Biden and former Prime Minister Trudeau agreed to strengthen the joint Action Plan to target a net-zero industrial transformation, batteries for zero-emissions vehicles, and renewable energy storage. Canada is a founding partner of the Energy Resource Governance Initiative (ERGI), a multinational approach to best practices for managing the key energy minerals necessary for the impending global energy transformation.

The ERGI toolkit addresses mineral resource management, project development, production, and stewardship. The United States joined the Canada-founded Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) in 2021 as a partner to work on promoting environmental, social, and governance standards in the mining sector. In June 2022, Canada, the United States, and other partner countries established the Minerals Security Partnership (MSP), a new multilateral initiative that aims to diversify and secure critical mineral supply chains by catalyzing private and public investment in strategic mining, processing, and recycling opportunities.

Mexico was the United States' top goods trading partner in 2023 with total two-way goods trade at \$807 billion, surpassing China. In comparison, U.S. goods trade with Canada totaled \$782 billion, while trade with China totaled \$576 billion. Our countries rely on integrated supply chains to power our economies and strengthen our global competitiveness. U.S. exports supported an estimated 1.1 million jobs in 2019 (latest data available).

U.S. merchandise exports to Mexico increased from forty-two billion dollars in 1993 (the year before NAFTA's entry into force) to \$322 billion in 2023. In 2023, Mexico remained the second-largest source of foreign crude oil to the United States, as well as the top destination for U.S. petroleum product exports and U.S. natural gas. Other major U.S. exports to Mexico include motor vehicle parts, semiconductors and other electronic components, basic chemicals, and computer equipment. U.S. Department of Commerce

data shows that the United States holds the largest stock of foreign direct investment (FDI) in Mexico, with a total of \$144.5 billion in 2023 (latest year available). Mexican FDI in the United States stood at \$38.3 billion in 2023, according to the Bureau of Economic Analysis (BEA).

On September 29, 2023, senior government officials from the United States and Mexico met in Washington, D.C. for the U.S.-Mexico High-Level Economic Dialogue (HLED). This was followed on April 19, 2024, by an Under Secretary-level HLED Mid-Year Review. The United States and Mexico have worked through the HLED since 2021 to further regional economic integration and strengthen supply chain resilience; improve border conditions to facilitate travel and legal trade; expand trade in medical equipment; promote sustainable economic and social development in southern Mexico and northern Central America; catalyze future prosperity by supporting regulatory compatibility in the information and communication technology and infrastructure sectors; support micro, small and medium enterprise (MSME) development; and equip our workforces with the skills to succeed in the modern global economy. The Department of Commerce, the Department of State, and the Office of the U.S. Trade Representative co-chair the annual cabinet-level dialogue. Periodic HLED updates are published at www.trade.gov/hled, where stakeholders may submit input.

The United States and Mexico maintain extensive science and technology cooperation, with collaborative research on health, meteorology, hydrology, earth sciences, and energy technology facilitated by the 1972 Agreement on Scientific and Technical Cooperation. U.S. science agencies such as NOAA, NSF, NIST, NIH, USGS, NASA, and DOE contribute to a solid body of bilateral scientific research. In 2021, Mexico joined in signing the Artemis Accords with NASA, as of June 2024 with forty-three signatories, the accord outlines the principles and rules to enhance governance of the responsible exploration of outer space.

The United States works with Mexico to address the root causes of irregular migration, promote lawful pathways, and implement humane migration management policies that prioritize control and security for our respective borders, respect for the human rights of migrants, and access to international protection for those in need. Mexico is a member of the Regional Conference on Migration (RCM), an eleven-member consultative mechanism to coordinate regional migration policies. RCM member countries commit to addressing issues of international migration in a multilateral context that respects orderly movements and human rights.

Mexico also participates in the Comprehensive Regional Protection and Solutions Framework, known by its Spanish acronym MIRPS — a regional application of the Global Compact for Refugees wherein countries collaborate to prevent and respond to forced displacement within their borders and regionally. The United States supports MIRPS efforts as a member and chair of its parallel donor Support Platform and with humanitarian funding contributions through international organizations.

The United States and Mexico have expanded cooperation to address the root causes of irregular migration and manage our shared border in a humane and orderly way through the Los Angeles Declaration on Migration and Protection. The U.S. government supports international organization and NGO partners to respond to the needs of asylum seekers, refugees, internally displaced persons, and vulnerable migrants in Mexico. With USG funds, the United Nations Refugee Agency (UNHCR) assisted the Mexican Commission for Refugee Assistance (COMAR) to increase its asylum case registration and processing capacity by four hundred per cent since 2018. The Bureau of International Narcotics and Law Enforcement Affairs (INL) builds the capacity of Mexico's border and migration officials to humanely manage migration and to coordinate with Mexican and U.S. law enforcement to secure borders. INL programming also increases the capacity of Mexican security and justice sector institutions to identify, investigate, and prosecute migrant smuggling and human trafficking.

The United States and Mexico have partnered to address the root causes of irregular migration in southern Mexico and northern Central America since the Mexican Agency for International Development Cooperation (AMEXCID) and U.S. Agency for International Development (USAID) launched “Sembrando Oportunidades,” a strategic collaboration, in December 2021 as a framework for development cooperation to address the root causes of irregular migration from Central America. This collaboration has built upon AMEXCID’s “Sembrando Vida” and “Jóvenes Construyendo el Futuro” projects in El Salvador, Honduras, and USAID’s complementary youth employment and agriculture projects in Central America. As of December 2023, Sembrando Oportunidades in Honduras and El Salvador has benefited 3,300 farmers and young people. In late 2023, USAID and AMEXCID extended their work under Sembrando Oportunidades to Guatemala, to benefit Guatemalan farmers. USAID and AMEXCID have extended their cooperation in Honduras to include Global Affairs Canada, which is expanding positive impacts in the region for women and youth. In southern Mexico, USAID works with state and municipal governments, small rural and Indigenous communities, and businesses to create jobs, sales, investment, and positive environmental impacts. Over the last two years, USAID mobilized over thirty-three million dollars in economic development investments, improving economic opportunities for over 30,000 people in southern Mexico.

The border region represents a combined population of approximately fifteen million people. Cooperation between the United States and Mexico along the border includes coordinating with federal, state, and local officials on cross-border infrastructure, transportation planning, and security as well as collaboration with institutions that address migration, natural resource, environment, and health issues.

In November 2021, then President Biden signed the Bipartisan Infrastructure Law, a historic investment in U.S. infrastructure that included approximately \$1.4 billion for construction and modernization projects at land ports of entry along the U.S.-Mexico border. During their July 2022 meeting, Presidents Biden and Lopez Obrador reaffirmed

their commitment to create borders that were more resilient, more efficient, and safer and that would enhance their shared commerce. The joint effort seeking to align priorities, unite border communities, and make the flow of commerce and people more secure and efficient. Mexico committed to invest \$1.5 billion on border infrastructure between 2022 and 2024.

In 2010, the United States and Mexico created the 21st Century Border Management Process (21CB) to spur binational advancements to promote a modern, secure, and efficient border. High-level representatives from the U.S. and Mexican governments meet annually in the 21CB Executive Steering Committee (ESC) to adopt action plans that guide bilateral efforts to modernize and expand ports of entry along the shared border; facilitate the flow of trade and travelers between the two countries; and strengthen cooperation on public safety in the border region. The 21CB ESC most recently convened in January 2024 in Washington, DC.

The U.S. and Mexican governments also meet through the multi-agency Binational Bridges and Border Crossings Group (BBBXG) to advance joint initiatives that improve the efficiency of existing crossings and coordinate planning for new ones. The BBBXG meets three times a year and provides the ten U.S. and Mexican border states, private sector representatives, and other public participants a forum to discuss cross-border infrastructure. The BBBXG also discusses federal, state, and local mechanisms that impact the border region, including Border Master Plans to coordinate infrastructure and development and close collaboration on transportation and customs issues. The most recent BBBXG meeting took place in March 2024 in Mexico City, Mexico. Security is a shared responsibility.

Neither country can be secure if the other is not. Cooperation between Mexico and the United States has never been more vital in the fight to combat the deadly threat of illicit fentanyl, methamphetamine, heroin, cocaine, and other drugs. We are committed to cooperating with Mexico to better protect the health and safety of our citizens and

promote the development of the most vulnerable communities in both countries; to prevent criminal organizations from harming our countries; and to pursue criminals and bring them to justice.

The United States partners with Mexico to reduce the impact of illicit drugs on U.S. and Mexican communities, dismantle criminal organizations, reduce irregular migration, improve citizen security, reduce criminal impunity, combat illicit arms trafficking, and promote human rights and the rule of law. U.S.-funded training, equipment, and technical assistance complement Mexico's own investment in building the capacity of Mexican institutions and personnel to achieve these goals.

Through the Bicentennial Framework for Security, Public Health, and Safe Communities, adopted at the 2021 High-Level Security Dialogue, the United States and Mexico are increasing joint efforts to combat production of synthetic and other illicit drugs; working to better understand and reduce drug demand; increasing drug interdictions; pursuing the illicit financial flows that fund transnational criminal organizations; working to prosecute and convict transnational criminal organizations; and reducing the amount of illicit firearms, bulk cash, and other illicit goods crossing the U.S.-Mexico border. Because of this collaboration, the shared border is more secure, information sharing is more fluid, and both countries benefit from professionally trained officials and state-of-the-art equipment to confront transnational crime. On October 5, 2023, the third High-Level Security Dialogue was hosted in Mexico City, followed by an October 13, 2023, meeting of cabinet and other senior officials from the United States and Mexico to evaluate the progress made through the Bicentennial Framework, and discuss new plans, programs, and actions to protect our people, prevent transborder crime, and pursue criminal networks.

The United States and Mexico partner to combat transnational organized crime and drug trafficking while strengthening human rights and the rule of law. Between 2008 and 2024, the United States appropriated approximately \$3.4 billion in equipment, training, and capacity building for Mexican justice and law enforcement sectors. Security cooperation

between U.S. and Mexican law enforcement agencies helps police, prosecutors, and judges share best practices and expand capacity to track criminals, precursor chemicals, drugs, arms, and money to disrupt transnational crime.

Mexico is one of twelve founding members of the Americas Partnership for Economic Prosperity, an initiative that launched in 2023 at an inaugural summit at the White House that focuses on driving regional competitiveness to foster inclusive, sustainable, shared prosperity.

Sources for this chapter include U.S. Department of State

Chapter Three

Will Canada & the U.S. function As One?

Canada and the United States have a unique relationship. Two sovereign states, occupying the bulk of North America and sharing the world's longest undefended border, each reliant on the other for trade, continental security, and prosperity. Despite radically different beginnings, as well as a history of war, conflict, and cultural suspicion, the two countries stand as a modern example of inter-dependence and co-operation. ...Canadian Encyclopedia.

As 2024 ended, an article appeared in a Canadian newspaper that acts as a catalyst for this chapter, it read.... few things symbolized the cultural divergence of Canada and the United States better than the election, in close succession, of Mr. Trudeau in 2015, and Mr. Trump the year after.

Mr. Trudeau embraced gender equity in his cabinet, flew to Paris to sign on to a global agreement to fight climate change, raised taxes on the wealthiest to redistribute to those less fortunate, broadcast a welcoming message to immigrants and acknowledged past and current harms done to Indigenous peoples and minorities. Mr. Trump effused patriarchy, pulled his country out of the Paris agreement, gave tax breaks to the rich, tried to build a border wall and saw good people on both sides of the struggle for racial justice. Presumably, leaders with so little in common could only emerge from two societies travelling fundamentally different paths.

But if this was true then, what are we to conclude today? Mr. Trump is back, no less popular than before. While Mr. Trudeau's all-but-inevitable (at that time) replacement as Prime Minister, Conservative Party Leader Pierre Poilievre, has yet to be seen wearing a red MAGA cap, he's promising to ditch Mr. Trudeau's signature policy on climate change, to rein in immigration, to fix the "broken border" and to stop the "woke nonsense."

With this agenda, Mr. Poilievre presumably will be more at ease at dinners with his U.S. counterpart than Mr. Trudeau was. But if two countries end up backing leaders with shared priorities, does it signal that they are less different than we thought? After appearing to diverge when we chose Mr. Trudeau and they chose Mr. Trump in the late 2010s, are Canada and the United States now back on a path toward political and cultural convergence?

There is one trend, beyond electoral politics that does suggest Canada and the U.S. are on similar trajectories, namely an increasingly pessimistic outlook on the future, particularly among younger adults. The U.S. election unfolded at a time when one in two adults age eighteen to twenty-nine were feeling that the American Dream is a thing of the past. Similarly, in Canada, our recent survey found steep increases in the proportion of adults in that same age group who feel the social mobility escalator is moving them down, not up. The proportion of eighteen- to twenty-nine-year-olds in Canada who feel they are worse off today than their parents were at their age has more than doubled over the past decade, while a majority of young adults now expect the next generation will be even worse off than they are.

Another emerging similarity is that in Canada, as in the U.S., those dissatisfied with the way things are going in their country now outnumber those who are satisfied, and by a significant margin. And while Canadians remain less dissatisfied overall than Americans, as dissatisfaction in Canada grows, that gap is narrowing. The proportion of younger Canadians specifically who are dissatisfied with the way things are going has more than doubled over the past five years.

This underlying discontent sets up a situation where younger voters increasingly turn their backs on progressive parties, such as Kamala Harris's Democrats in the U.S., or Justin Trudeau's Liberals (in 2024) here in Canada. Mr. Trump's victory in November was fuelled in part by the gains he made among younger voters. Similarly, in our survey of Canadians conducted this fall, the proportion of eighteen- to thirty-four-year-olds that

favoured Mr. Trump over his Democratic Party rival in the U.S. presidential election had grown since 2020 and was now twice as high as it was among those fifty-five and older.

Even more worryingly, Environics' continuing studies of social values have picked up a slight rise (albeit from a reassuringly low level) in Canada in the value we call "Authoritarian Impulse," which measures support for having a strong leader who can restore law and order and silence troublemakers. While this change has occurred across the entire population, it is a little more pronounced among younger adults, and particularly younger men.

These findings notwithstanding, the two countries overall remain far apart in their political orientations. Yes, in the context of growing discontent, preference for Mr. Trump over his Democratic Party opponent among Canadians edged upward between 2020 and 2024. But this modest increase of six percentage points boosted Mr. Trump's support in Canada to only twenty-one per cent. By contrast, three times as many Canadians (sixty per cent) would have preferred that Kamala Harris win the contest. No American state was remotely as pro-Harris as Canada.

Unlike in the U.S., Canadian men – and white men most notably – overwhelmingly preferred Ms. Harris to Mr. Trump. And Ms. Harris was favoured over Mr. Trump by a wide margin, even by Canadians who are dissatisfied with the direction of their country, and by those who currently feel worse off than their parents. Other differences are not hard to find. Canadians in general are more likely than Americans to agree with the proposition that "the government should do much more to make sure racial minorities are treated fairly." But what's most eye-catching is that, in Canada, most Conservatives agree – in contrast to the U.S. where the majority of Republicans disagree. Canadians are more likely to prefer larger government with more services over smaller government with fewer services. The opposite is the case in the United States. Opposition to abortion and gun control remains substantial in the U.S. but more marginal in Canada, compelling Pierre Poilievre to tread carefully (if at all) on the issue.

And finally, there is the notion of patriarchy, which many observers see as being a rich vein embedded in American society that Mr. Trump has been particularly successful in tapping. Our surveys find that Americans remain much more likely than Canadians to agree with the historical truism that “the father of the family must be master in his own house” (In 2024, forty-eight per cent of Americans agreed, compared with twenty-eight per cent of Canadians.) American women are actually more likely than Canadian men to agree with this classic articulation of male dominance in the family. Among Republican voters, six in ten (fifty-nine per cent) agree that father must be Master, as compared with four in ten Democrats (thirty-eight per cent). Agreement among Canadian Conservatives only reaches thirty-one per cent – well below the level of U.S. “progressives.” And, in each country, this orientation to patriarchy correlates with views on host of issues related to LGBTQ rights and gender identity.

It is indisputable that Canadians are greeting the New Year in a bleaker mood than usual. Not only is a majority now dissatisfied; a growing proportion is concerned about the state of the economy while more are losing trust in the ability of both the federal government and their provincial governments to deal with key issues such as the economy, health care, climate change, immigration and housing. And it is no stretch of the imagination to expect that there is worse to come. The economic damage that U.S. tariffs might inflict on the Canadian economy, or the difficulty of managing the influx of people expected to seek refuge in Canada after having been expelled from the United States, can only accentuate the extent of our anxiety.

But it would be a mistake to jump from these observations to conclude that many Canadians now see what Mr. Trump is promising to the U.S. as the economic, environmental, and social solutions we need here as well.

At some point, and probably sooner rather than later, the swings in the political cycle will bring a new government to power in Canada, with its own worldview and priorities. That government will have to work within the parameters of our own political

system, which imposes a number of constraints that Mr. Trump doesn't face – notably the need to retain the confidence of Parliament, a much less politicized court system, a distinct society in Quebec with its own language and “liberal” culture, and the need to reach agreement with ten provinces and three territories. But it will also need to work within the parameters of Canadian political and social values, which remain quite distinct from those that are currently shaping politics in the U.S.

Another article published in the National Post by Tristin Hopper had this to say about why Americans would never let Canada become a state...During a tense discussion over border policy then U.S. president-elect Donald Trump suggested to (then) Prime Minister Justin Trudeau that if he didn't like twenty-five per cent tariffs, Canada could always become the “51st state.” Delegates at the dinner — both U.S. and Canadian — all took it as a joke, rather than a serious offer of annexation. Sources told Fox News that the reaction of the Canadians was to “laugh nervously.” Public Safety Minister Dominic LeBlanc, who was there, would later tell reporters that it was “in no way a serious comment.”

While the joke has galvanized a fringe coterie of U.S. expansionists on both sides of the border, Trump happened to be flirting with an idea that has never really gained traction for the chief reason that Americans weren't interested. As far back as the 1980s, this was the considered opinion of L. Craig Schoonmaker, a curious figure in U.S. political history. Schoonmaker was one of the founding organizers of the modern gay rights movement and is generally credited with coining the term “Gay Pride.”

He was also a vocal Canadian annexationist, serving as the longtime spokesman for the Expansionist Party of the United States. During the 1980s negotiations over a U.S./Canadian free trade agreement, Schoonmaker scoffed at Canadian fears that free trade would invite an American takeover of their country. As Schoonmaker wrote in a 1987 letter to the Washington Post, he'd been lobbying for years for America to pull

down the maple leaf, but nobody was interested. “It is not Canadian nationalism but simple U.S. apathy that has prevented annexation of parts or all of Canada,” he wrote.

Going back in time, the United States and Canada's last serious U.S. attempt to annex parts of Canada actually predates Canada by just a few months. On the eve of Canada becoming an independent dominion in 1867, Republican congressman Nathaniel Banks introduced a bill calling for the various colonies of British North America to be admitted as a U.S. territory. But the bill fizzled out in committee just as the British North America Act was being approved by the British government.

And Canada's continued independence certainly isn't due to any U.S. reluctance to use force. Since the 1860s, the United States has staged armed incursions into more than one-hundred countries, ranging from Germany to Vietnam to most of Central and South America. Rather, one of the main barriers to U.S. annexation is political. Turning forty million Canadians into American citizens could result in a seismic leftwards shift to U.S. politics — with potentially devastating consequences for Republican politicians such as Trump. Even the most conservative corners of Canada, such as Alberta, would likely lean Democrat if given the chance. By poll numbers, Canadians are far to the left of their American cousins on issues ranging from abortion to gun rights.

And the trend becomes most obvious in polls where Canadians are asked how they would vote in a U.S. presidential election. The most recent edition, conducted by the Environics Institute, found that Trump would lose Canada in a landslide. Even in the Prairies — which is consistently a solid block of support for the Conservative Party of Canada — Democratic presidential nominee Kamala Harris was favoured by forty-four per cent of respondents as compared to Trump's thirty-three per cent. Thus, any U.S. president or Congress approving the annexation of Canada would do so in the knowledge that they were likely ushering in at least a generation of unchecked Democratic dominance.

The U.S. has long been extremely leery about accepting new states for fear of upsetting existing political balances. In the early 19th century, the annexation of new U.S. states was often held up over concerns that the new entrant would give a strategic advantage to either the pro-slavery or the anti-slavery camp. More recently, the chief concern has been in balancing Democratic and Republican control of the U.S. Congress — particularly the Senate, where every state gets two senators regardless of population. The last two new states — Alaska and Hawaii — were accepted at about the same time in 1959 for this reason. One, Alaska, leaned Democratic, while another, Hawaii, leaned Republican.

Although these allegiances have completely swapped in the interim decades, both states have effectively cancelled each other out in terms of their relative political influence on Washington. The fact that the U.S. territory of Puerto Rico doesn't have a Republican equivalent that could be granted statehood at the same time is among one of the signature reasons that its own statehood ambitions keep getting quashed. Trump seemed to acknowledge as much in his Friday dinner with Trudeau. According to Fox News sources, Trump joked that Canada could be admitted as two states, a conservative and a liberal one — and Trudeau could be the governor of the liberal one.

But drawing up two Canadas — one Democratic and one Republican — would require a herculean feat of gerrymandering. With all of the main cities in the Prairies likely to lean Democratic, "Republican Canada" would have to be a bizarre cutout of rural and semi-rural areas spanning from the Rocky Mountains to parts of Northern Ontario.

But if the Americans are historically quite choosy about who gets statehood, one critical factor is that membership in the United States is not reversible. As the U.K. highlighted with Brexit, the European Union allows member states to leave peacefully. And even Canada has laws on the books outlining how Confederation might be dissolved.

The Clarity Act, made law in 2000, allows for provinces to secede from Canada, provided that secession reflects a “clear expression of a will by a clear majority of the population of that province.”

But once you enter the United States, you’re not allowed to secede. That’s actually what their civil war was about. Although the conflict was sparked by regional disagreements over the legality of slavery, U.S. President Abraham Lincoln ultimately pressed the war on the principle that seceded Southern states were not allowed to leave simply because they’d gotten tired of federal authority. About 600,000 military deaths later, the issue was considered settled law.

Sources for this chapter include, M. Adams and A. Parkin (Globe & Mail) and the National Post

Chapter Four

U.S. 51st State Rhetoric

Canada and the US have deep economic and political links and are partners in the largest bilateral trade agreement in the world. Unlike the heavily militarized Mexican American border, the border between Canada and the US remains, even post-9/11, remarkably porous. While the Trump presidency (2016–2020) did initiate a visible hardening of the border, paradoxically leading to increased traffic northward, Canadian immigration programs ... [remain] much more relaxed as compared to other developed countries). Nonetheless, Canada also continues to experience “an influx of irregular migration,” with most of these “crossings” going “northbound” as “migrants [try] to cross into Canada from the US ... J. Andrews

"Canada and the United States. That would really be something," Trump said on the 7th of January 2025, at a news conference at his Mar-a-Lago resort in Palm Beach, Florida. "They should be a state."

Trump highlighted that if Canada were to join the U.S., it wouldn't be by using military force but instead through "economic force." A day earlier, the president-elect argued in a social media post that "many people in Canada love being the 51st State." Trump emphasized that "if Canada merged with the U.S., there would be no Tariffs, taxes would go way down, and they would be totally secure from the threat of the Russian and Chinese Ships that are constantly surrounding them. Together, what a great Nation it would be!!!"

In recent weeks, the former and now president-elect has trolled the United States' neighbor to the north, musing about it becoming the 51st state, and posting a doctored photo of him standing beside a Canadian flag high atop a mountain. Additionally, his recent mocking of longtime Canadian prime minister Justin Trudeau, repeatedly referring to him as "governor," along with his threat to impose massive tariffs on Canada, was likely a contributing factor in Trudeau's resignation announcement.

Trump's fixation in Canada just as he was about to assume the Presidency came as he also turned up the volume on his calls for Denmark to sell the sparsely populated but massive North Atlantic island of Greenland to the U.S. However, what if the unlikely expansionist scenario of Canada joining the U.S. actually came to fruition? Hypothetically, it could be a massive political boon for Democrats at the expense of Republicans. Canada's modern political history points to the left.

"The Liberals have been in charge of the Canadian federal government for the majority of the time since World War Two," longtime Republican strategist Dave Carney noted to Fox News. It is likely the voters supporting those governments would vote for Democrats rather than Republicans if Canada became the 51st state.

With a population of slightly more than forty million, Canada would become the most populous state in the U.S., edging out blue-state California for the honors. Canada's addition to the U.S. as the nation's largest state could give a big boost to the Democrats in the battle for Congressional majorities and the electoral vote count in presidential elections.

Rich Lowry, editor-in-chief of the prominent conservative magazine National Review, warned in an opinion piece for the New York Post that "Canada would be a blue-state behemoth, matching California in population...and, presumably, in reliably Democratic politics." "We might think we'd annex Canada and make it more like us, but

— with two Democratic senators and a huge tranche of electoral votes for Democratic presidential candidates — Canada would surely make us more like it," Lowry predicted.

Veteran political scientist Wayne Lesperance agreed, noting that "Canada as a state would bring millions of voters more likely to align with the Democrats' agenda and ideology. And with forty million voters, the new 51st state would be the largest state in the union with a congressional delegation much more likely to oppose Trump and his party's political agenda."

Lesperance, president of the New Hampshire-based New England College, said if Trump "is serious, and does bring a proposal forward, I would expect tremendous support for his initiative...especially from Democrats."

Democratic strategist and political analyst Van Jones, on CNN, said that Canada would "be a huge blue state" and that "if Canada wants to come here and rescue us, I am more than happy." However, Carney, noting that the likelihood of Canada joining the U.S. is extremely slim, said that it is a great negotiating strategy by Trump when it comes to negotiations with America's northern neighbor.

"He has an ability to use tools that no one would have ever thought of," Carney said. "He has the ability and the willingness to use every tool in his toolbox." Carney, the top political adviser to Texas Gov. Greg Abbott, a veteran of numerous Republican presidential campaigns, added that Trump "uses the soft power of the presidency to get people to pay attention and get what he wants."

An excellent piece by Evan Dyer at the beginning of 2025 said.... Donald Trump's posts and memes about turning Canada into the 51st state is almost without parallel among western democracies, said Carlo Dade, director of trade at the Canada West Foundation.

"This isn't 'Lower Lukistan' and 'Upper Lukistan' calling each other names again. That's something we expect, and we might expect it at that level of elected retail politicians running off at the mouth," he said. "Where you don't expect it is from the

most senior leadership. You don't expect that with countries that have had historic friendly relations and that are mature democracies."

Trump's comments, which he and his allies have downplayed as mere trolling, pale in comparison to the rhetoric about missile strikes and special forces incursions that his supporters have deployed against Mexico. But they are a sure sign that Canada is dealing with an administration that cares little for the niceties of sovereignty. Both Canada and Mexico will have to balance their need to maintain cross-border trade with protecting their ability to make decisions and control what happens within their own borders.

Dade said Canada and Mexico have reacted somewhat differently to Trump's threats, in ways that reflect their traditionally different approaches to Washington. Mexicans have always seen the United States as the country that invaded them in 1846 and took half their national territory. Canadians' greater willingness to accept that U.S. intentions are benign can be seen in the two countries' different attitudes to customs pre-clearance, under a treaty that allows U.S. border control officers to operate in Canadian airports.

Dade observed that difference when he was participating in discussions on a possible North America-wide trusted traveller program. "The take was we could get rid of issues like the visa issue if we had an integrated system," he said. "And the Mexicans basically said, 'You all have just lost your minds.' "There was no way they would allow U.S. law enforcement to enforce U.S. law on Mexican soil, to stop, question, search Mexican citizens. We had two really, really stark differences of opinion. Canadians were like, 'If it gets me to skip a half-hour line in Vegas, sign me up.'"

The practical result is that while the U.S. and Canada collaborate on the NEXUS traveller program for citizens of both countries, the Americans unilaterally set up a SENTRI program aimed at Mexicans that operates with little or no Mexican government input. And despite the sovereignty rhetoric — which Dade said is as

formulaic in Mexican political discourse as "God Bless America" is to U.S. politicians — Mexico has in practice been forced to accept deeper U.S. intrusions into its sovereignty than Canada.

In Canada, the U.S. Drug Enforcement Administration is limited to two small liaison offices housed within the U.S. Embassy in Ottawa and the Vancouver consulate. In Mexico, the DEA operates a dozen field offices and its agents there are armed. Under the terms of the 2008 Merida Initiative, the U.S. even has a role in "accrediting" Mexican prisons as secure.

The DEA's website describes its operations in Mexico and Canada in starkly different terms. The website says the DEA's role in Mexico includes not only active participation in enforcement but also "providing assistance in developing drug control laws and regulations." In Canada, according to the DEA website, the agency's agents "work with Canadians on a full complement of cases while ensuring that our activities are in keeping with Canadian laws and existing agreements."

Trump's deliberate lumping together of Mexico and Canada on the fentanyl file raises the question of whether Washington could seek greater powers for its law enforcement agencies to operate on Canadian soil. Both Canada and Mexico have lifelong experience with American pressure to adapt their domestic laws and practices to assuage Washington's concerns and fears.

The 9/11 attacks in 2001 — and the false but hard-to-kill rumour that some of the attackers crossed from Canada — led to changes at the border that continued through to the "Common Security Perimeter" talks between the Obama and Harper governments ten years later, and changes to the Preclearance Act and other programs to share information and functions.

Some of those changes touched on Canada's sovereignty, including its ability to protect its citizens' privacy. Since Trump posted his tariff threat, Mexican politicians

have appeared less eager to placate the Trump administration than members of the Trudeau government, said Dade.

"Mexico's response under (President Claudia) Sheinbaum has been generically, 'OK, you're right, that's a problem. But tell us specifically what more you want us to do,'" he said. "Whereas our response in Canada is just to start throwing stuff on the table and hoping that something will tickle Trump's fancy."

What's been thrown on the table so far seems unlikely to satisfy Washington. The package of changes the Trudeau government announced on border policy in recent days "looks rather unimpressive, frankly," said David Asher, who headed an anti-fentanyl task force during the first Trump administration and is now a senior fellow at the Hudson Institute.

"You're not talking about spending anything more than around nine-hundred million dollars US over six years to expand border measures and enforcement," he told CBC's Power and Politics. "It's sort of a drop in the bucket." It also doesn't focus on the crux of the U.S. complaint about Canada — that Canada has become a permissive environment for people and money associated with the fentanyl trade.

Asher and other US officials have long argued that the relatively small amount of fentanyl being seized at the U.S.-Canadian border doesn't accurately reflect Canada's larger role in the global traffic. The other context in which Trump linked Canada to Mexico in his tariff threat is illegal migration — another area where Mexico has been forced to make more concessions than Canada.

Mexico has increasingly become a conduit rather than a source country for illegal immigration into the U.S. — more like Canada, in other words. Starting in 2019, Mexico's arm was twisted into making a number of changes to its migration system. It positioned the new National Guard along its southern and northern borders and agreed to hold asylum claimants in Mexico while their claims were processed in the U.S. (the "Remain in Mexico" program).

It stopped issuing "safe conduct" passes to allow Central and South Americans to cross Mexico without fear of arrest, acted to break up large migrant caravans and agreed to resettle some migrants from countries such as Cuba and Venezuela, where the U.S. lacks a mechanism to return people. The nature of migration is different at the Canadian border and so are the rules around it (such as the Safe Third Country Agreement). And yet Trump's rhetoric suggests his administration will have thoughts about how Canada should handle migration and will be keen to share them.

Perhaps the biggest area where Canada's sovereignty could be constrained is in its ability to have an independent foreign policy, where it sets its own relations with other nations. Dade said Canada faces a "context of a coming global trade war, with the U.S. forcing countries to pick lanes and to pick sides.

"If we want to be in the small walled garden with the other Five Eyes, then what concessions are we going to have to make to the Americans?"

In the area of expertise — law enforcement — there's risk, you have to take some chances and sometimes there are going to be some sovereign issues that get close to the edge. But Canadians have to realize that the only people that respect the integrity of Canadian sovereignty and the border and all these other issues are Canadians. The Chinese threat actors don't care about the Canadian borders. The transnational organized crime figures don't respect our borders. The cartels don't.

"And if there's a choice to work with some entities, I would suggest that we consider working with our historic allies — the Americans, the Five Eyes and our NATO allies — rather than getting overly obsessed about the integrity of our borders, knowing that these things are very fluid and dynamic Calvin Chrustie stated."

Chrustie said the relationship with the U.S. isn't a zero-sum equation where less cooperation means Canada gets to retain more independence. "I say this facetiously, but sometimes the choice is between becoming the 51st state or becoming the 24th province of China."

Tyler Dawson in January 2025 authored an incredible essay on the long history of the U.S. imagining it could annex Canada. Here is his op-ed piece... as Andrew Potter writes in the introduction to George Grant's *Lament for a Nation*, Canadians have the "enduring conviction that the country is doomed. "Confederation has always seemed like a rather rickety, precarious endeavour, perpetually on the verge of fragmenting into a handful of region-states or surrendering to outright absorption or annexation by the United States," Potter writes.

In fact, the theme of American invasion to get at our natural resources is a recurring one. In *We Stand on Guard*, a science fiction comic book published in 2015, the Americans — complete with futuristic war robots, since the series is set in the early 2100s — have invaded Canada for its water.

The story is about a young woman who is informed by an American robot that she's in unauthorized territory and it does so in both French and English. "Your French sucks," she says, staring down the business end of a crossbow. Rescued by a gang of resistance fighters she asks, "Who are you guys, anyway?" I thought the C.A.F. all got wiped out week one."

Of course, the prospect of an American invasion of Canada has also been wholeheartedly lampooned: In the 1995 film *Canadian Bacon*, John Candy, inspired by anti-Canadian propaganda on American television, gets caught up in a scheme to invade. Four years later, in the *South Park* universe, American parents incensed by lewd Canadian comedy get the U.S. government to declare war on Canada. (The musical number, *Blame Canada*, won an Academy Award.)

It's ripe fodder for comedy. The serious stuff seems almost overwrought, even as the U.S. President-elect keeps making headlines — Canadians being suckers whenever we're mentioned abroad — for talking about Canada as the 51st state. On Christmas Day, Donald Trump used his Truth Social platform to complain about Canadian taxation and refer to Prime Minister Justin Trudeau as "governor." In another post, Trump said

he had told former hockey great Wayne Gretzky to run for prime minister, saying the job title would soon be “the Governor of Canada.”

As Andrew Potter writes in the introduction to George Grant’s *Lament for a Nation*, Canadians have the “enduring conviction that the country is doomed.” “Confederation has always seemed like a rather rickety, precarious endeavour, perpetually on the verge of fragmenting into a handful of region-states or surrendering to outright absorption or annexation by the United States,” Potter writes.

There was a time when the Canada-U.S. relationship and the possibility of annexation was deadly serious, at least in part because the United States has actually invaded Canada — or at least the land that would become Canada — on a couple occasions. “Fear of America has been a big driver of nationalism,” said Asa McKercher, a historian at St. Francis Xavier University, in an interview.

As far back as the Revolutionary War, American rebels made it as far north as Montreal and Quebec City before being turned back, having gambled — and lost — on the premise that Quebecers would happily take up arms against their British overlords and join the Americans. In fact, the original Articles of Confederation in the United States had pre-approved Quebec for membership in the new country.

When the United States worked up its nerve to invade Canada again, this time in 1812, it was an endeavour that Thomas Jefferson, the former U.S. president, believed would be a “mere matter of marching” northwards and seizing Quebec. Of course, it didn’t pan out that way.

“A call to arms rang throughout the country, echoing from lake to river, and piercing the inmost recesses of the forest,” wrote W.A. Foster, an essayist and co-founder of the Canada First movement. “How must the pulses of the young men have throbbled as they grasped the trusty rifle.” In the end, the British torched the White House in 1814, a fact that every Canadian schoolchild ends up learning, and the

Canadian territories remained outside the Americans' grasp, while both sides continue to claim victory — or at least not defeat — to this day.

Canada wouldn't see another American invasion again, but there were several instances that highlighted British North America's vulnerability — and at times the United Kingdom and the United States came perilously close to war. And all this happened as writers and speakers advocated further union with the United States, often viewing it as the only possible outcome. For example, Quebec journalist Louis-Antoine Dessaulles argued, according to a collection of lectures published in 1851, that "there is no sane man who does not admit the inevitability of our merger with the United States."

Indeed, the American revolutionary spirit, even if it didn't manifest itself again as invasion, certainly inspired some local revolutionary fervour. When William Lyon Mackenzie led the Upper Canada Rebellion in 1837, he issued a declaration of independence, obviously informed by the Americans' own declaration. That uprising failed, and Mackenzie and his supporters decamped to Navy Island on the Niagara River and declared an independent Republic of Canada. It was bombarded into submission and Mackenzie fled to Buffalo, where he was arrested and sentenced to eighteen months behind bars and a ten dollar fine. Decades later, Louis Riel, the Métis leader of the Red River Rebellion, sought support from U.S. President Ulysses S. Grant in his fight against the Canadian government.

Between 1838 and 1839, Americans and Canadians came close to fighting over forestry rights between New Brunswick and Maine. The Pork and Beans War never reached a boil, even though the U.S. Congress authorized the mobilization of 50,000 fighting men in the event the British invaded. Similarly farcical conflicts occurred sporadically, their premises reading like a bad joke: the Pig War of 1859 resulted in a naval showdown after an American farmer shot a pig owned by an Irishman that was eating his potatoes on San Juan Island.

Throughout all of this drama, there was diplomatic tension on the west coast over where exactly the border was between British North America and the United States. At the time, Russia still controlled Alaska, and Oregon Country (as the Americans called it) or the Columbia District (the British moniker) was subject to a lengthy border dispute. At various points, the Spanish and French also laid claim to the territory.

At any rate, by the time James Polk became U.S. president on an expansionist platform in 1845 — he led the U.S. into the Mexican American War and annexed Texas — the borders demarcating British from American territory became a bit of a problem. The Americans wanted the border to be at 54 degrees and 40 minutes latitude, which would have given them control over the entire western seaboard, until butting up against Russian Alaska. The slogan “Fifty-four forty or fight” became popular during the Polk presidency, as did the phrase “manifest destiny,” championed most famously by John O’Sullivan, an essayist and future Confederate propagandist who believed the Americans had a God-given right and duty to expand republicanism to Mexico, Canada, and California.

In 1846, though, the two negotiating parties settled on the 49th parallel as the northern U.S. border; the United States, already fighting Mexico, wasn’t especially keen on fighting a northern war and, despite its eventual decline over the next century, Britain was still among the most powerful nations in the world and an unappealing enemy.

Fifteen years later, when the breakaway Confederacy was fighting the Union, European powers — and many Canadians — supported the Confederacy. In 1861, Britain sent extra troops to Canada in case the Union opened a northern front, following the seizure of an American ship, the Trent, by a Union naval vessel, off the coast of Cuba. Late in the war, Confederate president Jefferson Davis sent Jacob Thompson to Canada, where, in Montreal and Toronto, he established a secret service presence to mount raids across the border into the Union. One such, the St. Albans raid in 1864, saw

a score of Confederates rob banks in St. Albans, Vermont, leaving one townspeople dead and the settlement ablaze. They fled across the border and were arrested, but it prompted considerable outrage in the northern states.

The Chicago Tribune demanded the U.S. invade and “take Canada by the throat and throttle her as a St. Bernard would a poodle pup.” That, obviously, never happened. And three years later, Canada officially became a country.

“It’s clear after the American Civil War ... that at that point, Britain can’t stop the United States and Britain — that’s sort of one of the justifications for Confederation — as Britain sort of realizes it doesn’t want to station the number of troops that would be needed,” says Hoy. “The United States at about the same point, realizes that it gets what it wants, access to natural resources, cultural influence, a stable ally, but it’s honestly just easier to get all of the things it wants without trying to annex a country.”

Even so, the paranoia — or the hope, in some cases — that Canada might be swallowed up by her larger neighbour persisted. Even as Canadian politicians debated Confederation, there were those, especially in Nova Scotia and New Brunswick, who favoured joining the United States instead.

“So far as the Americans are concerned, Canada is absolute mistress of her own destiny, while she is welcome to cast in her lot with the Republic,” writes Goldwin Smith, a prolific writer, who felt Canada joining up with the United States was practically inevitable, in *Canada and the Canadian Question*, published in 1891. By this point, says Hoy, the fear of the United States taking Canada by force had largely died away, to be replaced with fears of a broader cultural or economic digestion.

“As soon as that sort of fear of American military annexation dies down, there is this sense of commonality, of brotherhood, of cultural similarity, of working towards a set of goals,” says Hoy. Of course, that led to an entirely different sense of paranoia. Sure, it was unlikely that the U.S. military was going to storm the border and take Canada by force, but by way of economic and cultural imperialism.

That doesn't mean, however, that Canadians abandoned its fear of an American invasion, evidenced not only by its pop culture, but also by the fact that in the interwar period, the United States developed potential invasion plans — including using poison gas on Halifax — in the event of a war with the British Empire. Lt.-Col. James “Buster” Sutherland Brown, Canada's director of military operations and intelligence, proposed in 1921 his own plan for invading the United States — including the reclamation of Canada, which was technically conquered in the War of 1812 — by way of five invasions, which would seize Seattle, Minneapolis, Detroit, Albany, and Maine.

Still, for the past century, economics have provided ample fodder for paranoia. In *Lament for a Nation*, published in 1965, George Grant writes that the “only threat to nationalism was from the South,” and that Canada, since 1960, was little more than “a northern extension of the continental economy,” with Canadian elites looking “across the border for its final authority in both politics and culture.”

“When everything is made relative to profit-making, all traditions of virtue are dissolved, including that aspect of virtue known as love of country,” writes Grant. In 1988, Canada found itself gripped by a debate over free trade with the United States. A Liberal attack ad shows two diplomats, one American, one Canadian, in a shadowy meeting. The American says there's one line getting in the way — and the video shows a pencil eraser furiously scrubbing out the 49th parallel.

“Just how much are we giving away in the Mulroney free trade deal?” the ad says. Realistically, there is no serious, modern movement to join the United States. There are some in the Alberta separatist movement, for example, who fantasize about becoming the 51st state, but they have neither widespread political nor popular support. Even in national polling, only thirteen per cent of Canadians say they would support a union with the Americans, although on the prairies that enthusiasm ratchets up to nearly one-fifth support.

A lack of popular support, though, doesn't mean the argument hasn't been made. Nor, for that matter, that there hasn't been the steady integration of the continent, for example, through the continental border-security plan endorsed by former prime minister Stephen Harper and former president Barack Obama in 2011. In her 2013 book *Merger of the Century*, National Post columnist Diane Francis argued that Canada and the United States needed to merge, in the face of the economic threats of foreign-power state capitalism, a leaky northern border and declining economic performance. A merger, she argued, would give Canada access to the unrivalled entrepreneurial spirit of the United States and give Americans access to Canada's natural resources.

"Ideally, if Canada and the United States combined, they would be able to cherry-pick the best policies and practices from each economy and adopt what works best for both. For instance, Canada's banking and regulatory system would be a good match with the American work ethic and entrepreneurial spirit," Francis writes.

In the concluding pages of the book, *Lament for a Nation*, author George Grant wrote in a way that echoes eerily in 2024, a time when a significant gap has emerged in economic performance between the United States and Canada, with Canada's dollar trading at painful lows. It is, in Grant's case, obviously a lament — not a proposal for the future, as Francis's book may be described.

"In its simplest form, continentalism is the view of those who do not see what all the fuss is about," Grant writes. "The forty-ninth parallel results in a lower standard of living for the majority to the north of it. ... The disadvantages in being a branch-plant satellite rather than in having full membership in the Republic will become obvious. As the facts of our society substantiate continentalism, more people will explicitly espouse it."

We will end this chapter with the words of Pete McMartin of the Vancouver Sun (newspaper) who wrote..." so it isn't America's military we should fear invading Canada -

it's America's increasingly dangerous ideas and politics, and the toxic rhetoric that is designed, not to unite a nation, but destroy it."

Resources for this chapter include P. Steinhauser of Fox News, CBC, and the National Post

Chapter Five

They've Had Their Eyes On Us Forever

"I am a Canadian, free to speak without fear, free to worship in my own way, free to stand for what I think is right, free to oppose what I believe wrong or free to choose those that will govern my country. This heritage of freedom I pledge to uphold for myself and all mankind." ...John Diefenbaker

From the days of the United States independence until today (2025), various movements within Canada have campaigned in favour of U.S. annexation of parts of or all of Canada. Many historical studies have focused on numerous small-scale movements which are helpful in comparisons of Canadian and American politics. In the early years of the United States, many American political figures were in favour of invading and annexing Canada, and even pre-approved the admission of the Province of Quebec (previously known as Canada) to the U.S. in the Articles of Confederation in 1777.

During the American Revolutionary War, the Americans invaded the St. Lawrence River Valley, where the British repelled the effort. Americans also fought the British and allied Indigenous peoples in the Ohio Country - what was then the southwest of Quebec; at the end of the war, the land south of the Great Lakes was ceded to the newly independent United States and became the Northwest Territory. In the War of 1812, the Americans again invaded Canada to avenge the British impressment of American sailors on the high seas and support for Indigenous peoples resisting American westward expansion, but this was later repulsed, owing much to the reliance on the ill-equipped state militia rather than a standing army.

During and after the American Civil War, several American politicians called for the annexation of Canada because of American anger over Britain's material support for the Confederacy, which one historian asserts lengthened the war by two years, mostly inflicted by British blockade runners delivering arms supplies. Confederate agents operating in Canada received support from a large portion of Canadians throughout the war, allowing the British colony to be used as a base to attack the U.S., such as the St. Albans Raid. In the Alabama Claims in 1872, the U.S. was compensated \$15.5 million in war reparations by the British for damages caused only by British-built Confederate commerce raiders, as part of the 1871 Treaty of Washington. Historian Joseph Levitt notes:

Since the Treaty of Washington in 1871, when it first de facto recognized the new Dominion of Canada, the United States has never suggested or promoted an annexationist movement in Canada. No serious force has appeared on the American political scene that aimed to persuade or coerce Canadians into joining the United States. And, in fact, no serious initiative for any move in this direction has come from the Canadian side either.

Surveys have suggested that a minority of Canadians would potentially support annexation, ranging from as many as twenty per cent in a survey by Léger Marketing in 2001 to as few as seven percent in another survey by the same company in 2004. Historical annexationist movements inside Canada were usually inspired by dissatisfaction with Britain's colonial government of Canada. Groups of Irish immigrants took the route of armed struggle, attempting to annex the peninsula between the Detroit and Niagara Rivers to the U.S. by force in the minor and short-lived Patriot War in 1837–1838.

Although the Rebellions of 1837 were motivated in part by this type of dissatisfaction, Canadian resentment of British rule never reached the degree that led to the American Revolution in 1775. Notably, Canada's population growth in the late 18th

and early 19th centuries was spurred largely by United Empire Loyalists, who left the American colonies during the Revolution because of their loyalty to Great Britain. In the period from 1790 to 1837, imperial officials repeatedly denounced American-style republicanism and tried to suppress it. The Rebellions themselves were not fought with the goal of annexation, however, but were launched in pursuit of political independence from Britain and liberal social reforms.

Between 1848 and 1854, a significant and articulate minority of conservatives in Upper Canada advocated constitutional changes modelled on the American federal-state system and the US Constitution. They critiqued Canada's imitation of British parliamentary government as both too democratic and too tyrannical. It destroyed the independence of the appointed governor and Legislative Council and further concentrated power in the Cabinet. This critique led many conservatives to argue that the American model of checks and balances offered Canada a more balanced and conservative form of democracy than did British parliamentary government. These "republican conservatives" debated a series of constitutional changes, including annexation to the United States, an elected governor, an elected Legislative Council, a federal union of British North America, and imperial federation, within this framework. These conservatives had accepted "government by discussion" as the appropriate basis for political order.

Around 1850 there was a serious annexationist movement on the border region of Quebec's Eastern Townships, where the American-descended majority felt that union with the United States would end their economic isolation and stagnation as well as remove them from the growing threat of French Canadian political domination. Leading proponents of this genuinely bipartisan movement were careful not to appear disloyal to Britain, however, and they actively discouraged popular protest at the local level. Fearful of American-style democracy, the local elite also expressed revulsion toward American slavery and militaristic expansionism. Consequently, the movement died as

quickly in the Eastern Townships as it did in Montreal after Britain expressed its official disapproval and trade with the United States began to increase.

In Montreal at mid-century, with little immigration and complaints that the repeal of the Corn Laws had cut the region off from its British trade links, a small but organized group supported integrating the colonies into the United States. The leading organization advocating merger was the Annexation Association, founded in 1849 by an alliance of French Canadian nationalists and Anglophone businessmen in Montreal who had a common interest in the republic. Many of its members, including Louis-Joseph Papineau, were participants in the 1837-38 rebellions.

The Montreal Annexation Manifesto was published in 1849. It was hoped a merger with the United States would give Canada markets for its goods, ensure national security, and provide the finances to develop the west. A half measure was the Canadian–American Reciprocity Treaty of 1854 that linked the two areas economically. However, the movement died out in 1854. Annexation was never a popular choice. Many Canadians were loyal to the Crown and Great Britain, especially the descendants of the United Empire Loyalists. French Canadians worried about being an even smaller minority in a larger union, and were concerned about American anti-Catholicism. The American Civil War, further, convinced many Canadians that the American experiment was a failure.

United States Secretary of State William Seward predicted in 1860 that western British North America, from Manitoba to British Columbia, would with Russian Alaska join the United States. Many in Britain, such as Goldwin Smith and *The Times* of London, were pessimistic about the future of British North America and agreed with Seward; *The Times* said that Britain would only object if the United States attempted to take the territory by force. In the late 1860s, residents of British Columbia, which was not yet a Canadian province, responded to the United States' purchase of Alaska with fear of being surrounded by American territory. Some residents wanted the colony to be

the next American purchase. Local opinion was divided, as the three Vancouver Island newspapers supported annexation to the United States, while the three mainland newspapers rejected the idea. Even opponents of the annexation scheme admitted that Great Britain had neglected the region and that grievances were justified. Nonetheless, annexation sentiment disappeared within a few months and prominent leaders moved toward confederation with Canada.

Petitions circulated in favour of American annexation. The first, in 1867, was addressed to Queen Victoria, demanding that the British government assume the colony's debts and establish a steamer link, or allow the colony to join the U.S. In 1869, a second petition was addressed to President Ulysses S. Grant, asking him to negotiate American annexation of the territory from Britain. It was delivered to Grant by Vincent Colyer, Indian Commissioner for Alaska, on December 29, 1869. Both petitions were signed by only a small fraction of the colony's population, and British Columbia was ultimately admitted as a Canadian province in 1871. Most Canadians were strongly opposed to the prospect of American annexation. Reports of the Annexation Bill of 1866 — a bill that, contrary to myth, never came to a vote — might have been one of the many factors behind Canadian Confederation in 1867. Much more serious were the Fenian raids made by Irish Americans across the border in 1866, which spurred a wave of patriotic feeling that helped the cause of Confederation.^[13]

Nonetheless, a substantial annexation movement existed in Nova Scotia, and to a lesser degree in New Brunswick, Quebec, and Ontario, during the 1860s. Nova Scotia anti-confederation's led by Joseph Howe felt that pro-confederation premier Charles Tupper had caused the province to agree to join Canada without popular support. Howe in London unsuccessfully attempted to persuade the government to free Nova Scotia from the pending British North America Act by threatening American annexation. A significant economic downturn occurred after the end after 1866 of the Reciprocity Treaty of 1854; the colony was heavily dependent on

selling fish to Americans, causing many to believe that free trade with the United States was necessary for prosperity. Anti-confederations won all but two seats in the 1867 provincial election; as in British Columbia they did not necessarily support annexation. They again sent Howe to London to free Nova Scotia but in 1868 the British government again refused, believing that New Brunswick would likely follow Nova Scotia out of the dominion and cause the new nation to collapse.

Angry Nova Scotians began talking seriously of annexation. An alarmed Howe—who wished Nova Scotia to be free of Canada but still with Britain—warned his supporters against disloyalty, dividing anti-confederation's. The provincial government, dominated by extremists who now also opposed Howe, decided that if another appeal to London failed it would seize federal offices and unilaterally declare annexation, believing that Britain would not use force to stop Nova Scotia. Believing he had no choice; Howe left the anti-confederations. Although he narrowly won re-election to his federal parliamentary seat in March 1869 as a confederation, support for secession and annexation grew that year; however, by 1871 the movement had mostly disappeared. The federal government promised changes to taxes and tariffs, the economy revived, and the United States agreed to free trade for Canadian fish.

A Quebec-born homeopathic physician, Prosper Bender, expressed disappointment with the Canadian experiment in the 1880s and 1890s. An author and the former host of a literary circle in Quebec City, Bender suddenly moved to Boston in 1882. After celebrating the promise of Confederation, he became a strong proponent of annexation to the United States and something of an intercultural broker; he helped interpret French-Canadian culture to American readers. Bender wrote in the *North American Review* in 1883 that many Canadians believed that annexation by the United States would occur "within the present generation, if not sooner". He believed that Irish Catholics—about one quarter of Canada's population—would prefer annexation because of the British rule of Ireland.

They would be joined by the majority of those under forty, who viewed the United States as a prosperous, fast-growing neighbour providing many opportunities. (The author attributed the absence of an active annexation movement in part to many who would favor such an effort taking the "easiest and quietest method of securing the benefits of annexation, by themselves silently migrating to the Republic", as more than a million already had.)

Bender believed that Prime Minister John A. Macdonald's promise of a transcontinental railway linking eastern Canada to British Columbia to be overambitious and too expensive, and unfavourably compared the Canadian government's growing debt to the United States' rapid reduction of its Civil War debt. He stated that Canadian businesses would benefit from duty-free access to the American market, while "wondrous American enterprise, supported by illimitable capital" would rapidly prosper Canada, especially its vast undeveloped interior. Bender concluded with pessimism about the likelihood of success of a nation divided in two parts by 1,200 miles of "forbidding, silent wilderness stretching from the head-waters of the Ottawa to Thunder Bay, and thence to Manitoba".

In 1891, Goldwin Smith posited in his book *Canada and the Canadian Question* that Canada's eventual annexation by the United States was inevitable, and should be welcomed if Canadians genuinely believed in the ideal of democracy. His view did not receive widespread support. In January 1893, concerned about Canada's possible annexation, a goal then being pursued by the Continental Union Association, a group of Ontario and Quebec Liberals, Prime Minister Sir John Thompson delivered a speech on tolerance, Canadian nationalism and continued loyalty to Britain. Thompson eventually learned that the desire to make Canada part of the U.S. was confined to a small minority amongst the Liberals.

In 1901 W. T. Stead, a newspaper editor in London, England, discussed in *The Americanization of the World* possible annexations of Canada and Newfoundland. He

believed that because of its size and strength Canada would likely be the last of Britain's possessions in the Americas to join the United States. Stead cited several reasons for why he believed annexation seemed "inevitable", however, including rapidly growing economic ties and migration between the two countries, the French Shore, and disputes over the Alaska boundary and fishing rights in the Atlantic.

After the discovery of gold in the Yukon, many Canadians propose to annex parts of Alaska currently controlled by the United States, by calling for a revision in the original map of the boundary line between the Russian Empire and the United States. The US offered to lease the territory but not to give it back. London and Washington agreed on arbitration, with one member of the panel from Canada.

In 1903 the Chief Justice of Britain sided with the Americans to resolve the map dispute in favour of the United States. Many Canadians felt a sense of betrayal on the part of the British government, whose own national interest required close ties to the United States, regardless of the interests of Canada.

The 1932 establishment of the International Peace Garden on the North Dakota–Manitoba border honored the long lasting friendship between the two countries rather than attempts at annexation. While the Dominion of Newfoundland was still separate from Canada, prior to 1949, a party known as the Economic Union Party sought closer ties with the United States. However, Canada objected to the possibility, and the British government, which administered the Dominion of Newfoundland as a de facto colony under an appointed Commission of Government, would not allow it to consider annexation with the United States in any referendum. Instead, the EUP sought to resume "responsible government" and would then explore American annexation. A referendum showed a plurality in support of independence, but not a majority; a runoff referendum resulted in Newfoundland instead confederating with Canada to become the tenth province.

Two modern provincial political parties have proposed that their province secede from Canada to join the United States. Neither attracted significant support.

The Unionist Party was a provincial political party in Saskatchewan in 1980 that promoted the union of the western provinces with the United States. It was the most politically successful annexationist group, but its success was both short-lived and extremely limited in scope. The party briefly had two members in the Legislative Assembly of Saskatchewan, both of whom crossed the floor from another party, but dissolved within a few weeks after failing to qualify for official party status.

The original Parti 51 was a short-lived political party in Quebec in the 1980s that advocated Quebec's admission to the United States as the 51st state. The party won just 3,846 votes, or 0.11 percent of the popular vote in the province, in the 1989 election — fewer votes than the Marxist–Leninists or the satirical Lemon Party — and was dissolved the following year.

In 2016 Hans Mercier, a pro-American lawyer from Saint-Georges, Quebec, revived the party for a second time. Mercier told *La Presse* that the times have changed since the party's previous era, as Quebec sovereigntist has waned in popularity. Mercier argued that Americans would be welcoming of a new Quebec state, and pointed to a survey taken during the administration of George W. Bush that suggested nearly thirty-four per cent of Quebecers would support joining the United States. The revived party ran five candidates and received just 1,117 votes provincewide in the 2018 Quebec general election, representing 0.03 percent of the provincewide popular vote. The party ran again and received just 689 votes provincewide in the 2022 Quebec general election, representing 0.02 percent of the provincewide popular vote.

While talking with a guest on *Tucker Carlson Today* sometime in January of 2023, American commentator Tucker Carlson provocatively questioned, "We're spending all this money to liberate Ukraine from the Russians, why are we not sending an armed

force north to liberate Canada from Trudeau?" Carlson laughed at his remark, describing it as a "frenzy."

In December 2024, President-elect Donald Trump suggested Canada consider becoming the 51st U.S. state during a tense meeting with Prime Minister Justin Trudeau over trade deficits and border security. He later referred to Trudeau as the "Governor Justin Trudeau of the Great State of Canada." During an appearance on Fox News, Ontario Premier Doug Ford jokingly stated that this was Trump's attempt at revenge for the War of 1812 by saying; "I guess he's still upset that in 1812 we burned down the White House and he's holding a grudge after 212 years. He's a funny guy". Again, on December 18, 2024, President-elect Trump suggested on his social media platform, Truth Social, that Canada should become the 51st State of the United States. He expressed displeasure in his belief of the US over subsidizing Canada.

"No one can answer why we subsidize Canada to the tune of over \$100,000,000. a year? Makes no sense! Many Canadians want Canada to become the 51st State. They would save massively on taxes and military protection. It is a great idea. 51st State."
... Donald J. Trump, Truth Social

In January 2025, President-elect Trump and his supporters continued talking about the idea of Canada joining the United States. On January 7, 2025, during a press conference at his Mar-a-Lago resort in Florida, President-elect Trump reiterated his position that Canada should become the 51st State but ruled out the use of military force to annex or acquire Canada, stating that he would instead use "economic force" to pressure Canada into joining the United States. He further commented, "You get rid of that artificially drawn line, and you take a look at what that looks like, And it would also be much better for national security. They're great, but we're spending hundreds of billions here to protect it." In the press conference he again referred to Canadian Prime Minister Justin Trudeau as "Governor Trudeau."

Trump's comments on using economic force to annex Canada have been widely condemned by Canadian Politicians, Liberal Prime Minister Justin Trudeau stated that there was "not a snowball's chance in hell" of Canada joining the United States. Conservative Leader Pierre Poilievre commented "Canada will never be the 51st state, We are a great and independent country." And New Democratic Party Leader Jagmeet Singh responded with "Cut the crap, Donald. No Canadian wants to join you." and later referred to the President Elect as a "bully." Statements criticizing Trump's comments on Canada joining the US have also been made by other federal and provincial leaders and politicians. An opinion poll from Leger taken after the comments found that only thirteen per cent of Canadians supported the idea of a merger with the United States compared to eighty-two per cent who were opposed, contradicting the claim that there was serious interest in Canada. Another poll from Angus Reid, also taken after President-elect Trump's comments, put support even lower at six per cent

In modern Canadian political discourse, the idea of Canada becoming the "51st state" of the United States is much more often used as a scare tactic by Canadian politicians against political courses of action that may be seen as too "Americanizing". The use of this type of rhetoric may occur even if the proponents of such a course of action have *not* endorsed or proposed annexation.

In the 1911 federal election, the Conservative response to the proposed reciprocity treaty negotiated by the Liberals was to denounce it as equivalent to an American economic takeover, with annexation likely to follow. The parties swapped position in the later 1988 federal election, when the Liberals used the same type of rhetoric to denounce the Progressive Conservatives' proposed Canada–United States Free Trade Agreement, although the Progressive Conservatives won that election and the agreement was implemented.

Annexation fears can be found throughout Canadian History for Dummies, in which humourist Will Ferguson stated that for "John L. O'Sullivan, it was the 'manifest

destiny' of the United States to annex and possess all of North America". In fact, O'Sullivan's use of the term never extended beyond potential American annexation of Texas and the Oregon Territory; he explicitly wrote that he did *not* believe that the United States had a destiny to annex Canada

Political satirists, including the Rhinoceros Party of Canada, have occasionally proposed reverse annexation, whereby all or part the United States would be annexed into an expanded Canadian federation. Following the 2004 American election, some Americans distributed the satirical Jesus land on the Internet, depicting a similar proposal under which the "blue states" were part of a new political entity called "The United States of Canada". In 2019, there was a petition calling for the United States to sell Montana to Canada to pay off the U.S. debt.

Sources include many (over 36) and Wikipedia

Chapter Six

The Demise of the Three Amigos

“Our nations (U.S. & Mexico) are bound together by ties of history, family, values, commerce, and culture. Today these ties give us an unprecedented opportunity. We have a chance to build a partnership that will improve the lives of citizens of both nations.” George W. Bush

Talk of free trade between Canada, Mexico and the United States was on everyone’s lips due to the cartels and immigration spreading northward from Mexico as the year 2025 started. Maybe for the very first time, demise of the ‘Three Amigos’ seemed possible. Protectionist, isolationist, nativist politics also were playing a part in each of the three countries distrust of the other.

And what does someone from one of the Third Amigo’s (Mexico) have to say about all the blustering that is coming out of its northern neighbour’s mouth? Author Brenda Estefan wrote this interesting piece in Americas Quarterly in September 2024...despite widespread concerns, President Andrés Manuel López Obrador’s judicial reform was enacted and is here to stay. Beyond its troubling domestic implications—particularly regarding the erosion of the separation of powers—the new law casts a looming shadow over Mexico’s bilateral relationship with the U.S. It also presents a significant and immediate challenge for President-elect Claudia Sheinbaum.

This will hardly be a fresh start. The specter of the judicial reform led U.S. companies to freeze an estimated thirty-five billion dollar in investment projects, and Ken Salazar, the U.S. ambassador to Mexico, voiced concerns about the potential negative impact on the nation’s democracy and the \$807 billion bilateral trade. Several international and local banks cautioned about the potential adverse effects on investments in the country and the overall economy. These collective expressions

underscore broader apprehension that the reform could drag U.S.-Mexico relations when Sheinbaum's term began in October 2024. Also relevant is López Obrador's decision last month to put ties with the U.S. embassy on "pause," an ambiguous maneuver that signals deeper tensions while devoid of formal diplomatic meaning.

For Sheinbaum, steering Mexico through these complex waters is not just a matter of governance but a pressing necessity. As she inherits a bilateral relationship fraught with uncertainty, clear and decisive actions at the outset of her term will set the tone for her leadership. As Sheinbaum will seek to preserve economic stability and Mexico's standing as a vital and reliable trade partner for its northern neighbor, her administration's success may depend on this crucial relationship.

While technically not a renegotiation, the upcoming review of the USMCA in 2026 introduces an additional layer of complexity. The legal uncertainty arising from an unpredictable judicial system that might be influenced by domestic political maneuvers conflicts with the trilateral trade agreement. Equally troubling are other constitutional amendments still to be discussed, such as the dissolution of Mexico's autonomous agencies, which threaten to further erode the nation's democratic path. Institutions tasked with overseeing economic competition (COFECE) and telecommunications (COFETEL) will be front and center in pending reforms. How President-elect Sheinbaum intends to address these delicate issues remains uncertain.

To be sure, additional tension is coming from across the border. Nationalist rhetoric in U.S. presidential campaigns signals a potential shift in the country's trade policy. Republican and Democratic candidates have shown a tendency toward protectionism, which could impact trade and the investment environment. Vice President Kamala Harris, who previously voted against the USMCA, is likely to prioritize labor and environmental standards, while former President Donald Trump advocates for reshoring and threatens to impose tariffs on Mexican products.

In the middle of the current tensions, the “nearshoring” that Sheinbaum and her close advisors have often touted as a crucial strategy for Mexico’s economic growth could quickly turn into “reshoring,” relocating supply chains back to the U.S. Such a shift could result in higher operational costs, reducing the competitiveness of American finished goods in global markets and potentially driving up inflation in the U.S. There will be an internal debate between the future U.S. administration and the American productive sector. Washington will want to prioritize local investment, while companies will focus on competitiveness. Although governments may not directly control corporate investment, they can erect trade barriers and provide fiscal incentives for companies to remain on U.S. soil. For Mexico, this should be a wake-up call to the importance of the stability and predictability that investors seek. Stabilizing and strengthening the bilateral relationship is essential for Mexico’s interests and pivotal to Sheinbaum’s political success.

While forty-four per cent of Mexico’s FDI comes from the U.S., thirty-six per cent of this investment goes to manufacturing, the most significant sector in the Mexican economy. Additionally, millions of jobs on both sides of the border depend, directly or indirectly, on bilateral trade. Even though trade between Mexico and the U.S. is at an all-time high, the current political landscape pressures bilateral trade. Beyond the rhetoric, the reality is that the U.S., as Mexico’s largest trading partner, cannot afford to sever economic ties without risking significant disruption. The tightly interwoven supply chains that define North American trade are essential to the region’s economic well-being. This interdependence is particularly crucial as the U.S. faces increasing competition from China, making the stability of the U.S.-Mexico relationship vital for both nations’ strategic interests.

Despite the current storm clouds, the case for a positive future in Mexico-U.S. relations remains compelling. Both economies are deeply intertwined: Mexico became the top trading partner for the U.S. in 2023. The mutual benefits of this integration

cannot be overstated: approximately eighty per cent of Mexico's exports to the U.S. are intermediate goods crucial to American manufacturing's global competitiveness, and a significant proportion of these are produced by U.S.-owned companies operating in Mexico.

The ongoing Otay Mesa II port of entry project at the U.S.-Mexico border is a highly positive development for the region. Also relevant are recent investments by companies like AWS in Querétaro, showing confidence in Mexico's role as a continental hub for technology and nearshoring. The five billion dollar data cluster project, set to begin operations in 2025, exemplifies how Mexico can leverage its geographical advantage and trade agreements to attract significant foreign investment.

Amid ongoing bilateral tensions and regardless of the outcome of the upcoming U.S. election, Sheinbaum will significantly strengthen Mexico-U.S. relations to protect and promote strategic interests. While she has consistently emphasized the importance of FDI and has appointed experienced individuals in her cabinet, this alone will not suffice to reassure trade partners.

The first female president of Mexico needs to distinguish her administration from that of her predecessor; secondary laws related to judicial reform could play a crucial role in this differentiation. However, she will also need to make additional efforts to address investor concerns, send clear signals of stability, and align more closely with international trade obligations. Prioritizing diplomatic engagement, built on mutual respect and trust, will be vital in sending the right message.

Mexico is exceptionally positioned to capitalize on today's global geopolitical turbulence. Apart from Canada, no other nation can access the U.S. market without crossing an ocean or traversing Mexican or Canadian territory. However, what seemed merely weeks ago to be a promising start for the Sheinbaum administration has now been undermined by López Obrador's end-of-term revanchist maneuvers.

In a world where global alignments are in flux, and the pressures of national politics often threaten to disrupt longstanding partnerships, Sheinbaum’s challenge is clear: to steer Mexico toward a path of stability and growth, ensuring that the clouds of uncertainty do not overshadow the shared benefits of cooperation. As she charts her course, Sheinbaum has the potential to redefine Mexico’s role on the global stage, fostering a future where Mexican interests prevail over political posturing and where the U.S.-Mexico relationship continues to thrive amid changing times.

Now, how about an American media specialists’ point of view. Avery Ruxer Franklin in late 2024 penned this helpful gem on what is happening and may happen in the near future between the U.S. and Mexico. She published...Mexico is likely to face challenges politically, economically and diplomatically in 2025, according to the newest edition of the Mexico Country Outlook from Rice University’s Baker Institute for Public Policy released this week. The report provides a strategic edge to investors, businesses, and policymakers as they navigate Mexico’s complex, ever-evolving political and regulatory landscape as well as its relationship with the U.S. and President-elect Donald Trump.

There are several key issues such as border security, immigration, trade, tariffs and drug trafficking that could have profound implications for the country’s stability and future direction, argues Tony Payan, director of the Baker Institute’s Center for the U.S. and Mexico.

“Political and diplomatic relations are headed for a turbulent year in 2025 as Mexico is increasingly viewed less as a strategic partner of the United States,” Payan said. “There are also emerging concerns about Chinese economic activities in the country. The acceleration of Chinese investment in Mexico — often hidden and likely a strategy by China to secure access to the American market through the USMCA (U.S.-Mexico-Canada Agreement) — is drawing more attention in Washington.

“The Trump administration is likely to bring much attention to immigration and drug trafficking. The president-elect has already threatened tariffs on Mexican goods if the Sheinbaum administration does not comply with his demand that Mexico close the border. That may become another irritant in the binational relationship in 2025.”

Payan said he expects diplomatic relations between Mexico and the U.S. to deteriorate as newly inaugurated Claudia Sheinbaum’s administration will remain committed to the policies of her predecessor, Andrés Manuel López Obrador.

“Mexico’s increasing alignment with authoritarian regimes such as Cuba, Venezuela and Nicaragua are likely to further complicate its relations with the U.S., particularly if figures like Senator Marco Rubio, a vocal critic of such alliances, take prominent roles in the U.S. government under the second Trump administration,” Payan said.

The report extensively covers the Mexican economy, health care system, education, labor markets, public safety and security, climate, and water security as well as the legislative and regulatory environment expected in 2025.

“Next year, Mexico faces significant potential for a large downgrade in its credit rating. This could happen if there’s a perceived erosion of institutional independence, especially following the June 2025 elections, which could diminish the judiciary’s autonomy and eliminate independent regulatory bodies,” Payan said. “A downgrade would make Mexico less attractive to investors, increase borrowing costs and worsen debt servicing.

“The Mexican economy will also face challenges due to private and public investment’s likely decrease and the peso’s continued decline due to capital flight. The government may struggle to meet constitutional spending commitments, including subsidies to state-owned enterprises like Pemex, election costs and growing social programs, exacerbating the budget deficit.”

Each year, experts at the Center for the U.S. and Mexico generate the Mexico Country Outlook, anticipating the opportunities and challenges in Mexico’s political, regulatory, economic, and social environments. It addresses themes as varied as the political and diplomatic relationship between Washington, D.C., and Mexico City, the state of politics and democracy in Mexico, shifts in the regulatory environment, pending issues in the legislative and regulatory agenda, the expected performance of the country’s economy, trends related to human mobility as well as public safety and security and the state of education, health care and other relevant social issues.

What now is the ‘Third Amigo’ (Canada) talking about in regard to the country called Mexico? On the government of Canada web page under Canada-Mexico relations, it states... In 2024, Canada and Mexico celebrate eighty years of diplomatic relations, sharing a vibrant, multi-faceted relationship that is characterized by deep people-to-people ties, rich cultural connections and growing trade and investment. In recognition of this important relationship, the Government of Canada has committed to enhancing and expanding relations with Mexico, both bilaterally and within the North American partnership.

Canada and Mexico have also focused on collaboration within North America, working closely with our common neighbour, the United States. Through mechanisms such as the North American Leaders’ Summit, our countries work together in areas such as security, competitiveness, and the environment to create a more integrated, sustainable, and globally competitive North American economy. Mexico hosted the last North American Leaders’ Summit in Mexico City in January 2023.

Our people-to-people connections are undeniable. Canada continues to be Mexico's second biggest source country for visitors after the United States with a record of over 2.4 million Canadians having travelled to Mexico in 2023. A substantial number of Canadians, particularly retirees, have purchased property in Mexico and spend

extended periods of time there. Northbound, the number of Mexicans visiting Canada is also increasing with over 590,000 Mexicans travelling to Canada in 2023.

In 2023, a record of almost sixty thousand Mexican workers came to Canada under the Temporary Foreign Workers Program (TFWP) and the International Mobility Program (IMP). Under the TFWP, Mexico continues to be a top source country for the Seasonal Agricultural Workers Program (SAWP), often cited as a model for international labour-mobility arrangements. Of the close to sixty-thousand Mexican workers, over 26,000 came under the SAWP in 2023. This recognizes the foundational role Mexican nationals play as a source of labour for Canada, specifically in sustaining the domestic agricultural sector.

Academic and cultural ties are essential components of our relationship. In 2023, Canada issued over eleven thousand study permits to Mexican students, representing an increase of over eighty per cent in the last five years. On top of these students, over fourteen thousand additional Mexican students took part in short-term language courses which do not require a study permit. Academic collaboration and exchange are ongoing. There are over three hundred MOUs between Canadian and Mexican higher education institutions, which mainly facilitate academic exchanges, as well as a number of MOUs between Canadian education associations and Mexican government bodies. In 2023, Mexico was the largest source country for international students from Latin America and the Caribbean in Canada and the 8th largest source globally.

Canada and Mexico have become important strategic partners that share ongoing dialogue and engagement. Our collaborative efforts are pursued through a variety of means, ranging from regular high-level consultations and inter-parliamentary meetings to more institutionalized mechanisms such as the Canada-Mexico Partnership (CMP).

In January 2023, Canada and Mexico presented the Canada-Mexico Action Plan. The Plan was announced by PM Trudeau and President López Obrador at their bilateral

meeting on the margins of the North American Leaders' Summit. The Plan commits to building prosperous, sustainable, safe, and equitable societies for all, while also enhancing the integrity and competitiveness of the North American region.

Strategic programming on security through the Anti-Crime Capacity Building Program complements regular discussions involving security consultations and defense dialogues. At the same time, Canada works closely with Mexico to advance common interests through international and regional forums such as the United Nations and the Organization of American States.

Our trade and investment relationship has seen robust growth since the entry into force of the North America Free Trade Agreement (NAFTA) in 1994 and continues with the most recent Canada-US-Mexico Free Trade Agreement (CUSMA). Canadian trade and investment with Mexico are steadily growing, with nearly fifty-five billion dollars in two-way merchandise trade in 2023. Mexico is Canada's third largest single-country merchandise trading partner (after U.S. and China). Canada was Mexico's fourth-largest merchandise trading partner in 2023. Canadian Direct Investment in Mexico was forty point four billion dollars in 2023, which is Canada's ninth largest direct investment destination. Mexico's stability, growing consumer class and competitive labour continue to make it an attractive market for Canadian exports and investments. As a result, Mexico has been identified as a priority market for Export Development Canada (EDC), which has operated a regional office in Mexico since 2000, providing extensive financial services related to Canadian exports and investments in the country.

There you have the Canadian governments rosy point of view (or at least their bureaucrats opinion), now lets read what a research associate with the Canadian Centre for Policy Alternatives, Laura Macdonald published in Policy Options at the very end of last year... Canadian leaders and citizens still have limited knowledge and understanding of our Mexican partner despite Canada being a signatory to the Canada-United-States-Mexico Agreement (CUSMA), which replaced NAFTA in 2020.

Near-shoring is already having major impacts in North America. Value chains are being reconstructed to reduce their geographic footprint as companies increasingly seek suppliers within the North American region. A demonstrable, rapid increase in inter-regional trade and investment relations has rebounded following a downturn during the pandemic. In 2022, goods exchanged among the three CUSMA member countries reached a record high-level of U.S. \$1.5 trillion.

Mexico has so far emerged as the main “winner” in this process, overtaking Canada as the United States’ top trading partner. It is a growing site for new foreign direct investment. (Canada is benefiting somewhat in terms of new investments, but to a much lesser degree.) Mexico saw a 442-per-cent increase in foreign direct investment during the first half of 2023 compared with the last two quarters of 2022. In the same period, Canada’s share of global foreign direct investment increased by twenty-one per cent while China’s declined by thirty-three per cent.

Canada remains Mexico’s second top trading partner, but at 2.7 per cent of Mexico’s total trade in 2022, Canada’s trade remains a tiny fraction of that country’s trade with the United States, which accounts for 78.1 per cent of its total. That said, Canada-Mexico trade did grow by 70.81 per cent between 2013 and 2023. Partly fueled by a boom in foreign investment, Mexico’s economy is experiencing rapid growth following a dramatic downturn during the pandemic. Mexico’s GDP grew 3.9 per cent in 2022 and 3.2 per cent in 2023.

Real non-residential construction has increased by half since prior to COVID-19. Mexican manufacturing output also continues to increase, rising five per cent since 2018, especially in export-oriented industries. Output is up by nearly a quarter in computer production, and fifteen per cent in appliances and electrical equipment. Despite anti-migrant policies in the United States, remittance rates from Mexican migrants living abroad, primarily in the U.S., are also booming. At the same time, poverty rates in Mexico are declining.

CONEVAL, Mexico’s social development evaluation institution, stated that “multidimensional” poverty rates declined substantially between 2018 and 2022, although rates of extreme poverty remained almost unchanged at around seven per cent. Improvements in poverty rates reflect not just the economic boom but policies of the current government, which has increased the minimum wage and supported a range of social programs aimed at the country’s poorest. New labour provisions attached to the CUSMA, in addition to labour reforms adopted under the current and previous Mexican administrations, challenge the corruption that kept wages and benefits extremely low.

The government of President Andrés Manuel López Obrador also supported a dramatic increase in investment in infrastructure projects, particularly in the country’s south, which suffers from prevalent poverty rates, and which has historically been excluded from federal spending priorities.

Such progress is poised to continue, as president-elect Claudia Sheinbaum Pardo won a convincing victory in Mexico’s presidential elections under the party banner of AMLO, who will step down at the end of his current term.

Mexico still faces significant challenges. Primary among them are high rates of violence, widespread human-rights violations and serious problems with the rule of law. Homicide rates declined only slightly under AMLO’s presidency, from a high of thirty per 100,000 in 2018 to twenty-eight per 100,000 in 2021, according to the World Bank. And femicide rates (the intentional homicide of a person because she is a woman) and gender-based violence continue to increase.

As well, many of AMLO’s signature investment projects, such as the Maya train, the Dos Bocas oil refinery and the Tehuantepec interoceanic corridor have encountered fierce criticism and widespread protest for their impact on the environment and Indigenous rights.

Sources for this chapter include Americas Quarterly & Rice University and Policy Options

Chapter Seven

The Bully Next Door

“Economic inequality is deeper than ever.... In foreign policy, the US is seen as either a swaggering bully or a dithering coward. Choosing to quarrel rather than cooperate, mindlessly insisting on American exceptionalism, political leaders no longer strive for idealism and visionary projects that once attracted global admiration for the United States.” – Ian Buruma – YaleGlobal

Canada’s direct neighbour to the south is more or less the world’s foremost economy, it is also the largest trading market for Canada and Mexico and as many would say, the bully of both countries and the world in general. But flexing economic muscle as President Trump is presently doing to both Canada and Mexico could chase other major economies like China and the European Union to pursue their own partnerships (and maybe even, add Canada and Mexico).

The geopolitical relationships among the United States, Canada, and Mexico are deeply rooted in history, shaped by territorial ambitions, economic dependencies, and cultural exchanges. Since its inception, the United States has often adopted a dominant posture toward its northern and southern neighbors. This part of this book explores the historical foundations, current manifestations, and probable future implications of U.S. policies and attitudes that some characterize as bullying toward Canada and Mexico. Spanning three centuries, this analysis sheds light on the complexities of these relationships and the factors that perpetuate power imbalances.

Following World War II, the United States emerged as a global superpower. This newfound status allowed it to dictate terms to its neighbors. In Canada, economic integration grew through initiatives like the Auto Pact of 1965, which tied Canada’s automotive industry to the U.S. economy. While beneficial in some respects, such agreements also constrained Canada’s economic sovereignty.

In Mexico, U.S. influence became even more pronounced through initiatives like the Bracero Program (1942-1964), which facilitated the migration of Mexican laborers to the U.S. for temporary agricultural work. While providing economic opportunities, the program also entrenched exploitative labor practices and reinforced Mexico's dependence on the U.S. economy.

During the Cold War, the U.S. justified interventions in Mexico and Canada under the guise of combating communism. In Mexico, this often took the form of supporting authoritarian regimes that aligned with U.S. interests, despite their human rights abuses. In Canada, the U.S. exerted pressure on its ally to align with NATO policies and adopt anti-communist measures, sometimes at the expense of Canadian autonomy.

The North American Free Trade Agreement (NAFTA), implemented in 1994, exemplifies the complexities of U.S. relations with Canada and Mexico. While NAFTA facilitated trade and economic growth, it also exacerbated inequalities. In Mexico, small-scale farmers struggled to compete with subsidized American agricultural products, leading to widespread unemployment and migration. In Canada, disputes over softwood lumber and dairy products highlighted the asymmetrical power dynamics within the agreement.

The renegotiation of NAFTA into the United States-Mexico-Canada Agreement (USMCA) in 2020 further underscored the U.S.'s dominant position. The U.S. leveraged its economic power to secure favorable terms, often at the expense of its partners. For instance, new rules on automotive manufacturing disproportionately benefited American workers while imposing additional costs on Canadian and Mexican industries.

Immigration has long been a contentious issue in U.S.-Mexico relations. The U.S.'s militarization of its southern border, coupled with policies like family separations and mass deportations, has drawn widespread criticism. These measures not only strain diplomatic relations but also perpetuate narratives of inequality and mistrust. For Canada, the U.S.'s border policies have also created challenges. The imposition of

stricter travel restrictions and the "Safe Third Country Agreement" have complicated asylum processes, forcing Canada to manage an influx of refugees diverted from the U.S. The U.S. has frequently prioritized its own energy and environmental policies at the expense of its neighbors. Pipeline projects like Keystone XL and Line 5 have sparked tensions with Canada, as environmental concerns clash with economic interests. Similarly, water rights and resource management along the U.S.-Mexico border remain contentious issues, particularly in light of climate change and increasing water scarcity.

Under the Trump administration, the United States has applied economic leverage on China, Mexico, Europe, Iran, North Korea, Venezuela and now in 2025 to its so-called allies, Canada, and Mexico.

"The weapon works, at least in the short run, because America's economic throw-weight remains so significant," explains Gerald Seib for the Wall Street Journal in a 2019 column. "But there is a real underlying risk that by deploying and using its economic weaponry so frequently the U.S. will, in the long run, drive others, friend and foe alike, away from its economic orbit." The United States could be developing a reputation as an unreliable partner, prompting other countries could seek substitute markets. Other nations could avoid US controls by improving mechanisms for clearing financial transactions and developing alternatives to the US dollar as a reserve currency. Seib concludes with a warning: Other nations could gang together to resist the United States if it tries to bully too much.

Late in 2023 the New York Times had this to say in about US bullying...these days, the biggest, baddest weapon in the American arsenal isn't a missile, or a tank, or a fighter jet. It is America's economic clout. But here's the tricky question: Is this weapon being overused, at the risk of undermining the very economic strength that makes it so powerful in the first place? Certainly the Trump administration has been liberal in its flexing of American economic muscle—and often quite effectively. Unhappy with the trade practices of China, Mexico, Canada, and Europe, it has imposed tariffs to make it

harder for them to penetrate the lucrative American market until they change their policies. When that hasn't worked, it has doubled down with more tariffs.

Eager to change Iran's behavior, or maybe even the regime there, it has sanctioned the oil sector, the metals industry and military leaders by cutting them off from the American-led international financial system. To compel unhappy allies to go along, it has threatened to cut off their companies as well if they continue doing business with Iran.

In an effort to change the government of Venezuela and the behavior of the one in North Korea, it has made it harder for them to export goods and used economic leverage to make other nations fall in line. This approach is having an effect. Tariffs are forcing China to consider significant changes in its predatory economic behavior, for example, and economic sanctions are buckling the Iranian economy.

The weapon works, at least in the short run, because America's economic throw-weight remains so significant. The American market is big and rich, and everyone wants access to it. The American financial system sits at the center of international commerce, and the dollar remains far and away the world's most used currency. Countries and companies doing international business must use both.

But there is a real underlying risk that by deploying and using its economic weaponry so frequently the U.S. will, in the long run, drive others, friend and foe alike, away from its economic orbit. "These are not zero-cost options," says Robert Hormats, former under secretary of state for economic affairs and an adviser on international economics for presidents going back to Richard Nixon.

Imposing tariffs on China and other nations trying to send their goods to the U.S. not only raises the prices of those products for Americans, it also gives targeted nations an incentive to develop markets, and long-term trade ties, in other countries. At the same time, those foreign nations can retaliate by cutting purchases of American goods, or by slapping retaliatory tariffs of their own on American products, making them less

competitive, as China has just announced it will do. The Chinese may find other countries to provide, say, wheat and soybeans, and in doing so develop lasting, non-American trade ties.

“If the U.S. develops a reputation as an unreliable supplier, countries will turn to our competitors, and, when sanctions end, earlier supply chains will be difficult to restore,” says Mr. Hormats. Similarly, there is a danger the U.S. is providing both allies and adversaries an incentive to find ways around using the American financial system as the wiring for international commerce.

For now, there are few alternatives to using American banks for clearing international transactions. As a result, enemies find they can be shut out of much international commerce by crossing the U.S. and being slapped with American sanctions. But it isn’t just enemies. Friends also know their companies can be isolated if they don’t heed American wishes to shut down commerce in countries that are on the American blacklist. The risk of losing access to the financial system is a powerful motivator.

Yet overuse of this threat could compel other countries—including the very allies whose cooperation the U.S. seeks in applying financial pressure to the bad guys—to find alternatives to using dollars and American banks. Mr. Hormats notes that this “is not easy to do now, given the dollar’s pre-eminent role, but over time such overuse could eat away at the dollar’s role and hence U.S. leverage.”

Indeed, there are signs that others are seeking alternatives to the dollar and the American-led financial network. The European Union is trying to set up its own payment system to allow oil companies and businesses to continue trading with Iran despite American sanctions. China has made clear it would be happy to lead a different international finance system and use its currency as an alternative to the dollar.

Similarly, eleven Pacific Rim allies have moved ahead with their own new trade bloc after the U.S. pulled out of the Trans Pacific Partnership trade deal. America

remains the big kid on the economic block, but it isn't the only one. The danger is that it could come to be seen as the bully who tries to intimidate the other kids once too often, persuading them to join together to find ways around him.

In January 2025 journalist Gene Monin authored this story in the Sault Star newspaper... this is the message MP Charlie Angus (authors note: Angus represents the left leaning New Democrat Party Of Canada) is challenging Canadians to rally in standing up for our democracy. His passionate defence of Canadian sovereignty emphasizes the need for Canadian unity and warned against appeasement like Britain offered Hitler.

Trump insulted Canada by calling our prime minister "governor of the great state of Canada" and his 51st. state. Weeks before Trump takes the White House, he is giving a foretaste of his grasping agenda for our economy and dismissal of our borders. Angus pulled no punches in rebutting Trump's Christmas Day meltdown which toady CNN dismissed as "teasing" to describe Trump's expansion interests.

"Invading sovereign countries is the work of fascist leaders. Dismissing threats as 'teasing' is what compliant state propaganda does. Canada will resist." Angus wrote, "Dear Donald, being Canadian means free health care and limiting access to assault weapons. We don't want what you're selling, Donald, so now piss off." Trump claimed he'd cut taxes in Canada "by more than sixty per cent" and businesses would "immediately double in size" if U.S. were to take over.

He called Trump's threats to U.S.-Canada trade a bullying tactic disguised by his buffoonery and seemingly chaotic leadership to undermine Western democracy. He describes Trump as a convicted felon leading a confidence scam. Angus challenged Canadian politicians to rise above partisan squabbles and confront Trump's tactics head-on with coherent policies. He said Canada, like other democracies, must adapt to the new tactics of the far right and neo-fascism.

"We need international alliances to stop the spread of this chaos-seeking politics," Angus said. Angus noted that Trump praised Russian dictator Vladimir Putin as

“savvy” and a “genius” after his invasion of Ukraine, and that he’s picked one of his “Putin trolls” to join his administration. “His disregard for Ukrainian sovereignty sends a very, very chilling message.” “His attacks on Panama, Greenland and Canada sends a message that he doesn’t respect the international order in terms of the rights of nations. We have to start taking that a lot more seriously.”

During an interview Angus called Trump a “buffoon” and attacked U.S. media for its reserved coverage of his comments. Undermining the legitimate sovereignty of allied nations should draw full attention in Ottawa. But Ottawa is too distracted by internal political drama. Canadians want reassurance Ottawa is ready to defend our values against Donald Trump’s tirades. They want to hear their elected federal and provincial leaders standing up for the country and proudly defending Canadian values. And they are not hearing this.

It is deeply disconcerting this is not happening. We are in Trump times. The clock is ticking down on the arrival of the chaos machine in Washington in January. Canada is staring down a political tsunami, but our politicians are too busy to notice. It is deeply disconcerting this is not happening. Stand up to the bully (end of Agnus and Monin’s statement/story).

To end this chapter author Turcotte begins with the question, and subsequent answer - what does the future look like? As global power dynamics evolve, the relationships among the U.S., Canada, and Mexico may shift. Emerging economies, technological advancements, and changing political landscapes could reduce the U.S.’s relative dominance. Canada and Mexico may seek to diversify their trade partnerships and strengthen regional alliances to counterbalance U.S. influence.

Also, climate change poses a significant challenge that requires trilateral cooperation. Addressing issues like resource management, energy production, and disaster response will necessitate a more collaborative approach. Failure to do so risks exacerbating existing tensions and undermining regional stability.

Despite economic and political disparities, the cultural and social integration among the three nations continues to grow. Cross-border tourism, education exchanges, and the influence of media have fostered greater understanding and interconnectedness. These trends may encourage more equitable and respectful relationships in the future.

So, what is the conclusion? The history of U.S. relations with Canada and Mexico reveals a pattern of dominance and exploitation (or as this chapter says – bullying), shaped by economic interests, territorial ambitions, and political ideologies. While significant progress has been made toward fostering cooperation and mutual respect, the legacy of these imbalances continues to influence contemporary dynamics. As the world faces unprecedented challenges, the United States, Canada, and Mexico have an opportunity to redefine their relationships. By prioritizing equity, sustainability, and collaboration, they can build a future that benefits all three nations and sets an example for regional partnerships worldwide otherwise Canada and Mexico as nations are toast.

Sources for this chapter include Christopher Caldwell-NY times, YaleGlobal Online & G. Monin.

Chapter Eight

Time for a North American Economic Union

The North American Union (NAU) is a theoretical economic and political continental union of Canada, Mexico and the United States, the three largest and most populous countries in North America. The concept is loosely based on the European Union, occasionally including a common currency called the Amero or the North American Dollar. A union of the North American continent, sometimes extending to Central and South America, has been the subject of academic concepts for over a century, as well as becoming a common trope in science fiction.

Is now the time for a union of sorts between the United States, Canada and maybe Mexico? According to this book's author - your damn right it is. Talk about such a union (as per Europe's economic union) has been around for a long time.

In a late 2024 article professor Andrew Latham had this to say about a merger and or economic union between the U.S. and Canada... fast forward to today, and the idea of Canada becoming the 51st state (or, more accurately, the 51st through 63rd states) seems not only improbable but fundamentally incompatible with the national identities of both countries.

For Canadians, the notion of merging with the United States strikes at the heart of their sovereignty and independence. Despite deep cultural and economic ties, Canadians pride themselves on their distinct political institutions, healthcare system, and global reputation as a middle power. From the American perspective, incorporating a nation of forty million people with distinct legal, cultural, and linguistic frameworks would be a logistical and political quagmire. The idea of negotiating statehood for ten provinces and three territories, each with its governance structures and priorities, would be a nightmare of constitutional and bureaucratic proportions.

Moreover, the ideological divide between many Canadian provinces and American states would likely exacerbate political polarization in an already fractured United States. While political merger is a non-starter, there is a compelling argument to be made for deeper economic integration. The North American Free Trade Agreement (NAFTA) and its successor, the United States-Mexico-Canada Agreement (USMCA), have laid the groundwork for a robust trade relationship. However, these agreements stop short of creating a seamless economic union.

Proponents of closer ties, like businessman Kevin O’Leary, have floated the idea of a North American common market that mirrors the European Union. Such a framework could harmonize regulations, reduce trade barriers, and encourage cross-border investment. For Canada, this would mean greater access to the largest consumer market in the world. For the United States, it would secure a stable and prosperous northern partner, further solidifying North American economic competitiveness in a multipolar global economy.

However, even economic integration has its limits. Canadians have long been wary of becoming overly dependent on the United States, fearing the loss of autonomy in areas like environmental policy, cultural preservation, and resource management. Any push for a deeper union would need to address these concerns while ensuring mutual benefits.

Beyond economic implications, any discussion of closer union—whether political or economic—must grapple with defense and security concerns. Canada and the United States already share one of the closest defense relationships in the world, anchored by agreements like NORAD (North American Aerospace Defense Command) and longstanding cooperation through NATO. This partnership ensures the protection of the shared North American homeland while allowing both countries to coordinate their responses to global threats.

However, deeper integration in this realm faces significant hurdles. Canadians are proud of their independent foreign policy traditions, which often diverge from American priorities. The idea of harmonizing defense policies or increasing Canadian military spending to match U.S. expectations has met with resistance in Canada. For the United States, maintaining a close defense partnership without eroding Canadian sovereignty offers a pragmatic middle ground.

Recent geopolitical tensions, including concerns about Arctic sovereignty and great-power competition, have underscored the importance of U.S.-Canada defense cooperation. While merging defense structures outright is unlikely, there is room for enhanced collaboration in areas like Arctic security, cyber defense, and counterterrorism. Such efforts would strengthen North American security without undermining Canada's distinct role on the world stage.

Twelve years ago (2013) a Canadian/American journalist and author Diane Francis made the case for the U.S. and Canada forming a united North America in her book - *Merger of the Century*. Excerpts from this - ahead of its time (and now more appropriate than ever) masterpiece was published in the National Post newspaper. It said... The 9/11 attacks and the financial crisis that started in 2008 damaged the economies of Canada and the United States and accelerated the decline of most wealthy democracies. Throughout it all, emerging economies, led by China and India, did not skip a beat. Between 2000 and 2010, they grew by an average of six per year, while developed nations posted an average of only 3.6%, according to The Economist's "Power shift" report. By 2030, Brazil, Russia, India, and China could overtake the U.S., Japan, Germany, Italy, Britain, France, and Canada in economic size. And these seven nations, the original G7, cannot catch up because of debt, demographics, resistance to change and an inability to recognize and counteract the strategies of their rivals.

This unprecedented transfer of wealth, from richer to poorer nations, will only escalate because the free-market/free-trade/free-enterprise model does not work as

well as controlled and planned economic models such as China's. The methods employed in such countries will beat developed economies to resources and economic growth. In his book *Losing Control: The Emerging Threats to Western Prosperity*, Stephen D. King, the global chief economist of the Hong Kong and Shanghai Bank, said the pursuit of scarce resources such as energy or food may lead to war, hoist prices and impose a "redistribution of wealth and power across the globe [that] will force consumers in the U.S. Europe to stop living beyond their means."

Nations in distress, and facing uncertainty, must behave like businesses and weigh all options; they must also think laterally and outside the box. The problem for Americans as well as Canadians is that foreign governments, and their vassal corporate entities, have established themselves in Canada and are nibbling away at resource assets or using Canada as a backdoor entry to make direct foreign investments in the United States, sometimes without detection. Their targets include resources, farmland, market access and iconic corporations, assets that they do not allow Canadian or American individuals, corporations, or governments to acquire in their own countries. This non-reciprocal and sly strategy are aimed at acquiring assets, undermining competitors, and gaining political influence in host countries.

The best option for the U.S. and Canada to survive the new economic reality would be to alter course by devising protective policies and to merge into one gigantic nation. This book, a thought experiment, details the economic benefits of joining forces, the way a deal could be structured in fairness to both nations, the political obstacles littering its path and, lastly, strategies if a merger is impossible. This book is written from my viewpoint, as a dual citizen and business writer, that the interests and values of the two nations are aligned and that a merger makes good business sense.

Many Canadians will be shocked at the notion of being united with America, given how that nation is perceived in the world, its mass murders, gun laws, gangster rap, movie-star antics, televangelism, and political dysfunction. For instance, the U.S.

had 9,146-gun deaths in 2007, while Canada, with ten per cent of the population, had proportionally fewer — a mere one-hundred- and seventy-three-gun murders instead of nine hundred and fourteen. Such statistics are worrisome, but Canadians have few choices but to park their prejudices and figure out how to meet the future together with the Americans.

Besides, the United states is not the dangerous, wacky place depicted by Hollywood or by television shows, as the millions of Canadians who study, work, retire, travel, or live there can attest. Frankly, the U.S. is as safe as Canada if you live in one of the majority of neighbourhoods removed from the drug and gang wars. I would argue that Canadians, like Americans, despite challenges, cannot afford to miss the opportunity to pull off what would become the Merger of the Century.

As for a sheltered and safer Canada, the party is over. It has “snacked off” the United States by tapping into its capital and technology to build companies that produce goods or commodities that, in turn, are mostly exported to the United States. In absolute numbers, most of the two-way trade is made up of transfers between U.S. parent companies and Canadian branch plants, known as intra-trade. But after 9/11, even this trade has slowed and won’t grow in the future as the border becomes a problem and Canadian costs escalate.

Canadian demographer David Foot provides another reason a merger might be a good idea. He believes economic success can be forecasted based on whether there are too many young people or too many old people in a country. The United States and Mexico have the right population mixes to sustain future growth, but Canada is aging as rapidly as European nations, even at immigration levels proportionately higher than America’s. At the Global business Forum in Banff, Alberta, in September 2012, he forecast that by 2026, “Canada will have more old than young people, and no amount of immigration can change the figure.” This means slow growth, labour shortages and higher pension or health-care costs.

The idea of joining countries and erasing borders is not unique, by the way. Many countries around the world are continually debating mergers or forming important regional economies. Networks of people and corporations are replacing the nation-state. In April 2012, a Gallup poll found that thirteen per cent of the world's adults, or six hundred and forty million people, want to leave their country permanently. Another two hundred and fourteen million have already left home, according to the United Nations.

That means roughly one in seven people in the world are dissatisfied with their country. In *End of the Nation State: The Rise of Regional Economies*, Japanese business guru Kenichi Ohmae argues that maps have become “cartographic illusions”:
“Traditional nation states are unnatural and impossible business units in a global economy. As industry, investment, individuals, and information flow relatively unimpeded across national borders, the building-block concepts appropriate to a 19th-century, closed-country model of the world no longer hold.”

Arguably, the U.S.–Canada border is, in fact, simply the line that the British were able to hold against the expansionist and aggressive Americans. It's interesting to note that most of the borders established by Britain centuries ago are anachronisms. The borders between the U.S. and Canada, or Australia and New Zealand, could disappear while, at the same time, the Québécois and Scottish nationalists in their respective countries could vote to secede and erect new borders. In 2010, New Zealanders and Australians were surveyed about New Zealand becoming a state of Australia. About forty-eight per cent of Australians were in favor, but fifty-two per cent were opposed. Some forty-one per cent of New Zealanders said the issue should be debated, twenty-nine per cent rejected the notion and thirty-seven per cent said the country would be better off as part of Australia. The similarities between New Zealand and Canada are striking. Each is politically, economically, and militarily dependent, in Australia and the United States, respectively. Australia has dominated with its bigger economy and

benefited from a brain drain of New Zealanders. The opening clauses of Australia's constitution still state that New Zealand is part of Australia and can opt to join at any time as a single state. And in 1776, the articles of Confederation written by the Americans included a provision to the "Canadian" colonies to join the new republic if they chose. Even today's U.S. constitution includes an accession clause that allows entry of territories by Congressional approval. But the issue of a merger between Canada and the United States has never been formally raised. (this ends the National Post story).

So, what about a full North American Union? Does it make sense? Here's what history tells us about such a thing. The NAU (North American Union) is a theoretical economic and political continental union of Canada, Mexico and the United States, the three largest and most populous countries in North America. The concept is loosely based on the European Union, occasionally including a common currency called the Amero or the North American Dollar. A union of the North American continent, sometimes extending to Central and South America, has been the subject of academic concepts for over a century, as well as becoming a common trope in science fiction. One reason for the difficulty in realizing the concept is that individual developments in each region have failed to prioritize a larger union. Some form of union has been discussed or proposed in academic, business, and political circles for decades. However, government officials from all three nations say there are no plans to create a North American Union and that no agreement to do so has been proposed, much less signed. The formation of a North American Union has been the subject of various conspiracy theories.

Since at least the mid-19th century, numerous concepts for a union among Canada, Mexico and the United States, some including the Caribbean, the Central American and the South American countries, have been proposed, such as the North American Technote. Following the Maastricht Treaty and the North American Free Trade Agreement (NAFTA) going into effect in the early to mid-1990s, there was speculation about the formation of a North American Union, similar to the European

Union created by Maastricht, being a possible future step for the region. Several proposals for continental integration of North America advocated the creation of a union styled after the European Union, though many academic and business groups advocated less dramatic changes involving the formation of a customs union or common market.

While serving as a policy adviser to the presidential campaign of Vicente Fox during the 2000 general election in Mexico, Jorge Castañeda, influenced by American academic Robert Pastor's ideas on deepening integration of NAFTA, encouraged Fox to include policies on integration as part of his campaign. Before and after the election Fox made appearances on several U.S. news programs advocating greater integration including a plan to open up the U.S.-Mexico border within ten years. Some in the United States saw this proposal for open borders as a call for or inevitable step towards a "North American Union" and received it with a mixture of praise and criticism, with critics like Pat Buchanan suggesting it would mean an end to U.S. sovereignty.

During an interview for *Commanding Heights: The Battle for the World Economy* in 2001, after he was elected president, Fox said that he sought with the United States a "convergence of our two economies, convergence on the basic and fundamental variables of the economy, convergence on rates of interest, convergence on income of people, convergence on salaries." He suggested this might take as long as twenty years to be realized, but the ultimate "convergence" he saw between the United States and Mexico would allow them to "erase that border, open up that border for [the] free flow of products, merchandises, [and] capital as well as people". Fox cited the success he claimed countries Republic of Ireland and Spain had in modernizing their economies and raising the standard of living for their citizens by joining what is now the European Union. Vicente Fox also proposed a plan to U.S. President George W. Bush and Canadian Prime Minister Jean Chrétien that he said would move the North

American continent towards an economic union based on the example of the European Union. Fox's proposal was rejected by President Bush, with Fox later alleging in his book *Revolution of Hope* that the White House wanted him to "stop raising hackles" by talking about a North American Union.

Later, amid a push for greater integration and concerns about the impact of heightened security on trade relations following the September 11 attacks in 2001, an effort was organized in 2003 by the Canadian Council of Chief Executives, U.S. Council on Foreign Relations, and the Mexican Council on Foreign Relations called the Independent Task Force on North America. Several weeks before a meeting of North American leaders on March 23, 2005, the Task Force issued a press release and a statement from the Task Force's chairmen calling for deeper integration of NAFTA to form a North American Economic and Security Community by 2010.

A January 2005 leaked diplomatic cable includes discussion by U.S. government officials about the best approach to North American integration based on an assessment of Canadian views. The *National Post*'s Robert Hiltz described the cable in June 2011 as discussing "the obstacles surrounding the merger of the economies of Canada, the United States and Mexico in a fashion similar to the European Union."

Two months later at the March meeting of North American leaders, the Security and Prosperity Partnership of North America (SPP) was formed. It was described by the leaders of Canada, Mexico and the United States as a dialogue to provide greater cooperation on security and economic issues. In response to later concerns, a section was put up on the initiative's site clarifying the SPP was not a legal agreement, that the initiative "does not seek to rewrite or renegotiate NAFTA", and that the partnership itself "creates no NAFTA-plus legal status." A number of academics and government officials at the time viewed the SPP as moving North America towards greater integration.

In May 2005, the Task Force published a report praising the SPP initiative and pushing for greater economic integration by 2010. They repeated their call for the "establishment by 2010 of a North American economic and security community, the boundaries of which would be defined by a common external tariff and an outer security perimeter." In the report the Task Force said that a North American Community, which would be similar to the European Community which preceded the EU, should not rely on "grand schemes of confederation or union" and did not suggest a supranational government or a common currency. The Task Force's recommendations included developing a North American common market and security perimeter, among other common goals.

The SPP initiative was officially ended in August 2009 though the North American Leaders' Summit and most of the working groups set up under the initiative remain active. Several advocates of integration saw the SPP as being insufficient. One criticism was that the governments lacked a "vision of what North America might become" and as such did not provide the proper context that would allow the initiative to deal with barriers to deeper integration.

In 2005, claims emerged from critics of North American integration that a "North American Union" was not only being planned, but was being implemented by the governments of Canada, Mexico, and the United States. These critics cited the formation of the Security and Prosperity Partnership of North America and claimed it was an attempt to dramatically alter the economic and political status quo between the countries outside of the scrutiny of the respective national legislatures, a critique heightened by the subsequent publication of the Independent Task Force on North America report which praised the SPP initiative and called for greater economic integration by 2010.

While a broad spectrum of observers criticized the secrecy of the SPP and its dominance by business groups, the specific claim that its true aim was to expand NAFTA

into a North American Union analogous to the European Union (EU), with open borders and a common currency, among other features, was being made by the fall of 2006, when conservative commentators Phyllis Schlafly, Jerome Corsi, and Howard Phillips started a website dedicated to quashing what they perceived as the coming North American "Socialist mega-state".

The belief that a North American Union was being planned and implemented in secret became widespread, so much so that the NAU was a topic of debate during the 2008 U.S. presidential election campaigns and the subject of various U.S. Congress resolutions designed to thwart its implementation. Prominent critics such as Lou Dobbs, then an employee of CNN, and Republican presidential candidate Ron Paul denounced the concept, joined by left-wing nationalist groups in Canada, Internet blogs, and widely viewed videos and films such as "Zeitgeist" (2007). Corsi's book *The Late Great USA: The Coming Merger with Mexico and Canada* (2007) also helped bring the NAU discussion into the mainstream. These beliefs are the latest example of a long line of erroneous conspiracy theories which suggest that the United States' sovereignty is being eroded by a cabal of foreign and domestic players.

Phyllis Schlafly claimed the actual goals of the SPP were confirmed by the Task Force, and by the Task Force's co-chair American University professor Robert Pastor. Critics often cite Pastor as being the "father" of the NAU. His book *Towards a North American Community: Lessons from the Old World for the New* (2001) has been called a blueprint for the plan, and it includes a suggestion to adopt a common North American currency called the Amero.

The "Amero" is the appellation given to what would be the North American Union's counterpart to the euro. It was first proposed in 1999 by Canadian economist Herbert G. Grubel. A senior fellow of the Fraser Institute think-tank, he published a book entitled *The Case for the Amero* in September 1999, the year that the euro became a virtual currency. Robert Pastor, vice-chairman of the Independent Task

Force on North America, supported Grubel's conclusions in his 2001 book *Toward a North American Community*, stating that: "In the long term, the Amero is in the best interests of all three countries." Another Canadian think-tank, the conservative C.D. Howe Institute, advocates the creation of a shared currency between Canada and the United States. Although then-Mexican President Vicente Fox had expressed support for the idea, when Grubel brought up the idea to American officials, they said they were not interested, citing lack of benefits for the U.S.

Cross border trade costs are likened to that of a tariff roughly equivalent to one hundred and seventy per cent. Forty-four percent of that "tariff" is attributed to "border related trade barriers" which breaks down as follows, "an eight per cent policy barrier, a seven per cent language barrier, a fourteen per cent currency barrier (from the use of different currencies), a six per cent information cost barrier, and a three per cent security barrier." On August 31, 2007, Internet broadcaster and conspiracy theorists Hal Turner and Ace Sabau claimed to have arranged for a United States government minted Amero coin to be smuggled out of the U.S. Treasury Department by an employee of that organization. Snopes has assessed both Turner's story and the existence of the Amero as false.

The Trans-Texas Corridor was first proposed by Texas Governor Rick Perry in 2002. It consists of a 1,200 foot (366 m) wide highway that also carries utilities such as electricity, petroleum, and water, as well as railway track and fiber-optic cables. In July 2007, U.S. Representative and candidate for the Republican nomination in the 2008 presidential election Duncan Hunter successfully offered an amendment to H.R. 3074, the Department of Transportation Appropriations Act, 2008, prohibiting the use of federal funds for U.S. Department of Transportation participation in the activities of the Security and Prosperity Partnership of North America (SPP). Hunter stated that:

Unfortunately, very little is known about the NAFTA Superhighway. This amendment will provide Congress the opportunity to exercise oversight of the highway,

which remains a subject of question and uncertainty, and ensure that our safety and security will not be compromised in order to promote the business interests of our neighbors. The Ministry of Transportation for the province of Alberta displayed a diagram on their website that labelled I-29 and I-35 as "NAFTA superhighway".

In 2011, the Texas Legislature repealed its authorization for the establishment and operation of the Trans-Texas Corridor. In 2001, President of Mexico Vicente Fox said in an interview for *Commanding Heights: The Battle for the World Economy* that in the long term he sought with the United States a "convergence of our two economies, convergence on the basic and fundamental variables of the economy, convergence on rates of interest, convergence on income of people, convergence on salaries." He suggested this might take as long as twenty years to be realized, but the ultimate "convergence" he saw between the United States and Mexico would allow them to "erase that border, open up that border for [the] free flow of products, merchandises, [and] capital as well as people". After leaving office, he continued to support the concept, while expressing his disappointment with the changed American political situation which made it seem more difficult to come to fruition. In an online discussion of his book *Revolution of Hope: The Life, Faith, and Dreams of A Mexican President* Fox cited the process of European integration and asked a question, "Why can't we be not only partners in the long term, but a North American Union?"

In September 2006, U.S. Representative Virgil Goode proposed with six co-sponsors non-binding House Concurrent Resolution 487, which specifically outlined opposition to a North American Union or a NAFTA Superhighway as a threat to U.S. sovereignty. The bill never left committee. The same resolution was reintroduced by Goode in January 2007 for the 110th Congress as House Concurrent Resolution forty, this time with forty-three cosponsors, including 2008 Republican presidential candidates Duncan Hunter, Ron Paul and Tom Tancredo, who all expressed opposition to a North American Union during their campaigns. U.S. Commerce Secretary Carlos

Gutierrez stated in 2007: "There is no secret plan to create a North American union, or a common currency, or to intrude on the sovereignty of any of the partner nations".

Regarding the NAFTA superhighway, officials from the Federal Highway Administration have denied such a scheme. Also, the NASCO denies a new proposal for a "NAFTA superhighway" saying, "it exists today as I-35." In an August 2007 press conference in Montebello, Quebec, Canadian Prime Minister Stephen Harper stated that he didn't believe that the NAU was a "generally expressed concern", while U.S. President George W. Bush called concerns of a North American Union "political scare tactics" and described as "comical" the "difference between reality and what some people are talking on TV about."

What about today in 2025 - is it not more important than ever to finally eliminate the 49th parallel border, at least as an economic union is concerned?

Remarks by David Dodge, Governor of the Bank of Canada, to the Couchiching Institute on Public Affairs, Geneva Park, Ontario on the seventh of August in 2003 answers the question... for more than seventy years now, the Couchiching Institute on Public Affairs has been bringing Canadians together with the purpose of asking some thought-provoking questions and encouraging lively, stimulating debates and action on a variety of key public policy issues. For example, it was at Couchiching, fifty-six years ago, that the idea of creating a North Atlantic Treaty Organization (NATO) was first floated publicly by Escott Reid, a senior official with the Canadian Department of External Affairs. NATO was established a year and a half later, reflecting almost exactly the vision that Reid outlined in his speech at Couchiching.

I am delighted to have been invited to participate in this year's conference, the theme of which is "Continentalism: What's in It for Us?" True to form, here again is a topic that is thought-provoking and, some might say, provocative! Before I venture any thoughts on the subject, let me make it clear that I am not here as an advocate for greater North American integration. This is very much a political decision for Canadians

and their elected governments. It is a big decision, and all of us, as a democratic society, will have to determine what we really want. I'm not a politician; I'm an economist. So, what I intend to do tonight is to lay down some parameters for an appropriate discussion of the issues relevant to greater economic integration in North America.

First, I would like to review the benefits and costs of economic integration. By economic integration, I mean the free movement of goods and services, capital, and labour and the harmonization of the rules governing the operations of these three key markets. I will briefly review the progress Canada has made on each of those fronts, and the benefits we have derived from opening up our markets to international competition and to the free flow of capital. Next, I will talk about the remaining impediments to fuller economic integration. And finally, I will briefly discuss where we might go from here. The economic benefits and costs of open markets.

Free trade International trade in goods and services takes place because countries have different resource endowments and labour skills and because consumer tastes vary from country to country. David Ricardo, a 19th-century British economist, argued that a country could gain from trade even when another country had an absolute advantage in producing all goods and services. He argued, rightly, that by concentrating on producing those goods and services in which a country was relatively more efficient and importing those products in which it was relatively less efficient, it could increase its national income. And this would be so even if that country were absolutely less efficient in producing all products. This is the famous principle of comparative advantage.

It is on this principle that economists base their view that barriers to trade reduce economic welfare in all countries. When countries export goods and services in which they are most competitive and import those in which they are less competitive, consumers everywhere benefit, the potential output of all nations increases, and so does the global standard of living. Opening up national borders also opens the door to

greater global competition. And this acts as a potent incentive for businesses everywhere to become more efficient and productive.

To relate this to Canada, international competition puts pressure on our domestic market to be more competitive, even in industries where the optimal scale may have only one or two Canadian firms operating. In the end, competitive pressure leads to greater efficiency, greater productivity, and higher standards of living. So, there are clear economic benefits to greater economic integration with the rest of the world. Of course, there are adjustment costs to be borne as barriers to trade are removed. Some firms and some industries will not be able to meet the foreign competition and will die or contract. This is part of the process of releasing resources - both human and physical - to those industries or firms that are taking advantage of new markets abroad. Some kind of mechanism to equitably share the short-run costs of adjustment is important to reap the medium- and longer-run benefits of freer trade.

Since the Second World War, Canada has had a history of being open to global markets for goods and services. In my view, this interaction with the rest of the world has proven very successful and has benefited Canadians, and our foreign partners, enormously. As you know, the Canada-U.S. Free Trade Agreement (FTA) of 1989 and the North American Free Trade Agreement (NAFTA) of 1994, which added Mexico to the partnership, were initially viewed with a great deal of skepticism in this country. And at first, the adjustment to the FTA was difficult. But, by the late 1990s, it was clear that freer trade in North America was bringing major benefits to Canada. FTA and NAFTA have opened up U.S. and Mexican markets, providing Canadian businesses with tremendous opportunities. They have also put pressure on our entrepreneurs to be more efficient - a challenge to which they have clearly risen.

Canadian exports have flourished, and consumers in this country now benefit from greater product choice and lower prices. Under the FTA and NAFTA, we have achieved much freer trade in manufactured goods. And we have gone quite a distance

with respect to certain services. But we still have problems in some key sectors. For example, we certainly have a long way to go when it comes to agriculture. And even though, nominally, we have free trade in forest products and steel, complications do arise because the United States retained its ability to apply trade-remedy laws. The current softwood lumber dispute is an example of the problems we face with U.S. trade-remedy laws, specifically anti-dumping, and countervailing duties.

It is partly because of such problems that some analysts in Canada have recently been advocating a customs union, or some type of common market, with the United States. Clearly, some sections of NAFTA need further work if we are to eliminate all non-tariff barriers (such as countervailing and anti-dumping duties) and reduce the costs to industry of complying with a number of special rules, such as rules of origin. Dealing with these problems also means closer integration of regulatory regimes in North America. Let me now turn from issues related to trade in goods and services to issues related to capital flows.

Free capital flows Canada eliminated wartime foreign exchange controls in the early 1950s. Thus, for most of the postwar period, we have benefited greatly from the free movement of capital and from competition in financial markets. Capital flows have played a very important role in Canada's development as a modern economy. Indeed, particularly through the 1950s, 1960s, and early 1970s, we were able to use foreign savings to finance the large investment projects that were necessary to develop our industrial infrastructure and increase our production potential, especially in the resource and manufacturing sectors. At the same time, Canadians have been able to set up businesses and pursue investment opportunities abroad.

Through two-way direct investments, Canada has also had access to, and benefited from, technological innovations and processes developed elsewhere. In a North American context, freeing up capital flows has not been part of formal negotiations between Canada and the United States. In both countries, this has largely

been a domestic endeavour. By that, I mean that the integration of Canada-U.S. capital markets has proceeded as fast as we, and the Americans, have been able to reduce domestic impediments to freer capital flows. Free movement of workers Now, let me consider labour markets and the movement of labour between Canada and the United States.

Back in the 19th century, there was considerable labour mobility between the two countries. But the movement of workers across the border suffered a serious setback after the First World War, particularly in the wake of the Great Depression. Today, the border between Canadian and U.S. labour markets is somewhat more open than it was at the end of the Second World War. But, in comparison with the markets for products and capital, it is still the least open.

This is because of immigration policies and a multitude of different provincial, state, or federal licensing laws in the two countries. To achieve the full benefits of a single market, significant freeing up of laws and regulations that impede labour mobility would be needed. But I recognize that this is extremely difficult, particularly in a Canada-U.S.-Mexico context. This completes my brief review of the key Canada-U.S. markets for goods and services, capital, and labour. Having done that, I believe that it would be fair to say that, although there are now fewer “formal” tariff and non-tariff barriers between the two countries than there were fifteen years ago, the reality is that borders still do matter. As John Helliwell reminds us, “border effects are still too large to be ignored and too complex to be easily classed as good or bad.”

Regulatory regimes as I just pointed out in discussing labour markets, there are many non-tariff impediments to achieving the full benefits of economic integration. Among these, importantly, are the different national, provincial, or state regulatory regimes. Here, it seems to me that one of the key questions we should be asking ourselves is whether we have given sufficient consideration to “harmonizing” a number of our regulations with those of the United States. By “harmonizing,” I mean working to

make the regulations of the two countries compatible or convergent, but not necessarily identical. My sense is that, on this score, we have made some but not much progress. I will expand on this point later.

So, where do we go from here? Free trade within North America has brought us great benefits. Of that, there is no doubt. Ideally, though, what we should be striving for, as a country, is the removal of multilateral barriers to trade, so that the whole world can be open for business. The world community has been trying to do this since 1947. But it has been a very slow process because building consensus continues to be an uphill battle, as we are witnessing with the current Doha round of trade negotiations. For me, free world trade is still the ideal. We in Canada cannot, and should not, lose sight of that goal by focusing only on free trade in North America. But, if we cannot tear down barriers multilaterally, we should at least continue to tear them down between provinces in Canada, between Canada and the United States, between Canada and Mexico and, indeed, throughout the Americas.

As I said earlier, a number of analysts in this country have recently been calling for fuller economic integration in North America - to be pursued through arrangements ranging from a customs union to some type of common market, and all the way to full economic and monetary union. Of course, not everyone in Canada is convinced of the merits of fuller economic integration within North America. In fact, as you will probably hear later in this conference, many Canadians are concerned about the implications of such a move for our political sovereignty and policy independence.

Once again, I am here as an economist, so I will leave the political questions aside and focus instead on the factors that I see as relevant in the context of pursuing fuller economic integration. But I should point out that, although the interest in Canada in further integration is primarily economic, it is quite clear that the Americans see border security as an important element of that integration. So, as we in Canada consider deeper economic integration, we also have to consider what measures we

would take to actually build a common security perimeter around North America. I do not intend to elaborate on this, since there are others at this conference who are much more knowledgeable and able to comment.

It is very important to recognize that, for our southern neighbours, security integration and economic integration are clearly linked. With that, let me return to the question, Where do we go from here?

This chapter continues with a 1999 (a long time ago yes, but pertinent today, just the same) Parliamentary Research Branch paper on the pros and cons of a monetary union between Canada and the U.S. In recent months (remember the year of this paper was 1999), there has been much discussion about the possibility of a monetary union between Canada and the United States. Various scenarios have been put forward for implementing such a change. The public, however, is often confused because experts switch between different concepts of "monetary union."

A monetary union with the United States would strictly involve creation of a new currency, such as the "Amero" proposed by Professor Herbert Grubel, to replace the present American and Canadian dollars. This option is generally considered unrealistic, given the strong attachment of Americans to their own dollar. The two countries could, however, find another way of using the same currency, through "dollarization." In brief, under dollarization Canada would adopt the American dollar, as some countries have already done (Panama and Liberia), or are considering (Argentina). Dollarization would involve the most loss of sovereignty over Canadian monetary policy. Money performs three functions: it is a unit of account, a means of transaction and a store of value. Different monetary regimes will have different effects on these functions.

Arguments in Favour of a Monetary Union between Canada and the United States - Canada and the United States have already established an

agreement on trade called the Free Trade Agreement (FTA) that now includes Mexico (NAFTA). This agreement, together with the development of vastly enhanced economic integration between the two countries, has considerably increased the volume of trade over the past decade. A common currency would eliminate many irritants and uncertainties with respect to the floating exchange rate and would consequently reduce the costs associated with these uncertainties. In fact, many argue that a common currency would be a good complement to the NAFTA and would enhance the benefits of this Agreement.

Canadian industries that trade with their American counterparts must, in addition to bearing the costs related to uncertainty, bear foreign exchange transaction costs. John Murray, the Chief of the International Department at the Bank of Canada, has estimated these costs to be nearly three billion dollars per year. Thus, using the same currency as the United States would save these industries a significant amount of money.

Removing the risk associated with the exchange rate would also help to lower interest rates on debt, especially long-term bonds, mostly because of the reduction in the risk premium. Canadian interest rates are now lower than their American counterparts, owing mainly to our lower inflation rate, but our real interest rates still tend to be higher. A common currency would lower real rates that would encourage more investment, benefiting the economy through higher productivity.

Under a common currency, prices in Canada and the U.S. would be easier to compare. Such ease of comparison would facilitate the application of antidumping laws and reduce tension between the two countries. Moreover, it would help to enhance competition and efficiency. The message from many companies is that, as they already have to quote their merchandise and services in U.S. dollars, it would be logical to dollarize the economy as soon as possible.

Entering a monetary union with the U.S. would stop Canada from using currency devaluation, a tool it has employed in the past. Many argue that a weaker dollar conceals lower productivity. Industries do not feel the need to make substantial structural changes to adapt to changes in the market, and the result in the medium and long term is a lack of competitiveness. Using the U.S. dollar would prevent such an occurrence.

Another argument in favour of a monetary union with the United States is the need for a defence against the euro; adopting the American dollar would perhaps offset the effect of the eurozone on the Canadian economy. This policy response would avoid the marginalization of the Canadian dollar in a world where three major currency zones could appear: the euro in Europe, the yen in Asia, and the dollar in the Western Hemisphere. Indeed, proponents of a common currency see it as inevitable and believe that Canada should enter into negotiations quickly, while we still have some bargaining room.

Economists also observed that, during last year's crisis in Asia, short-term capital flowed in great quantities to investments denominated in U.S. dollars. Nobody was surprised by that situation since the U.S. dollar is a well-known refuge for investors. Thus, adopting the American currency would shield against speculative attacks during high-turmoil periods.

Finally, American monetary policies have historically been better at controlling inflation than Canadian policies, although this is not true today.

Arguments against a Monetary Union between Canada and the United States - for a currency union to work, theory suggests that countries need to be in an "optimum currency area." Participating countries need to have similar economic structures as well as full mobility of the factors of production (capital and labour). Many argue that this is not the case for Canada and the U.S. Canada's economy is still strongly commodity-based and thus is quite different

from that of its neighbour. Since Canada and the United States do not represent an optimum currency area, a monetary union between them would not be optimal, especially for Canada.

Responses to external shocks — which at present are made through movements in the Canadian exchange rate — would have to be made through fiscal policy, movements of capital and labour, and changes in factor prices. Given factor price rigidity in this country, this would lead to lower output and lower employment. The "shock-absorbing" capability of the present flexible currency would be completely lost. Gordon Thiessen, the Governor of the Bank of Canada, has argued that without a flexible exchange rate system, we would possibly have experienced a deep recession over the last year.

Another important argument is that under a common currency regime Canada would be overwhelmingly dominated by the United States. Inevitably, Canada would lose a substantial degree of control over its monetary policy. Canada could not aspire to be more than just a thirteenth district of the Federal Reserve — and this is a best-case scenario. Americans would look after their own interests, notwithstanding the presence of Canada. Moreover, since there are many structural differences between the two economies, American decisions could affect the Canadian economy adversely. We already see something similar; many people argue that the Bank of Canada conducts its monetary policy to satisfy Ontario's needs while British Columbia, for example, would benefit from a more expansionary monetary policy. Under a common currency agreement with the U.S., the situation could become even worse for small, resource-based provincial economies such as those of New Brunswick, Nova Scotia, and Newfoundland.

Finally, such an agreement between the two countries would imply a \$1.4-billion reduction per year in Canadian government revenues now obtained

from domestic seignories (right to print money). There are as many arguments for as against a monetary union between Canada and the United States. Which arguments are better is hard to say. What is at present only a debate of ideas may soon become one that is political and financial in nature. The debate is active and is now being put before Canadians through newspapers, pundits, politicians, and analysts who are in favour of it. In view of its nationalist aspects and its implications for Canadians' everyday life, the debate promises to be even more important and controversial than that which occurred on the FTA.

Sources for this chapter include, National Post, 19FortyFive, Wikipedia, David Dodge & Julie Cusson

Chapter Nine

The Time is Right For A North American Currency

In making the case for a Canada-US or perhaps a NAFTA currency union, I shall elaborate upon and hopefully substantiate the following propositions: that our system of flexible exchange rates has not served Canada well; that a fixed-exchange-rate system is preferable to our current floating rate system, given the degree of North American integration, the nature of this integration (north-south economic regions) and the shift away from a resource-based economy and society to a human-capital-based economy and society; that North American Monetary Union (NAMU) along euro lines is the logical longer term goal toward which a fixed-exchange-rate regime should evolve; and that the last time that Canada had a common currency with the US (the Pearson era) represented one of the most creative periods in terms of enacting policies that have made us socio-economically unique in the upper half of North America - Policy Options.

Long ago, when it was one of those manual facts beaten into the heads of students, never to slither from their brain - Canada and the United States share the lengthiest undefended border in the world. For Canadians, it was a point of pride to live next to a superpower without needing razor wire to maintain independence. The border was easily crossed on a summer vacation or for a day's shopping, the border posts approached with a frisson of excitement on the premise that something slightly more exotic awaited on the other side. But the border was also something real - a line in Canadians imagination, a comfort and reassurance that despite sharing a continent with Goliath, Canada was still a society unto its own.

Ten plus years after the two countries signed a free trade accord that bound their economies even more tightly, that line has become blurred to some and a nuisance to others. In money matters, Canadians find themselves attuned to exchange rates the way they follow the weather. So, it was perhaps predictable the day would come when a significant number would muster the temerity to ask the

sacrilegious question: does Canada really need its own dollar? But when the moment came last week, and currency union bubbled to the top of the soup of public issues, it was unclear what exactly had happened to bring it so much attention.

Most of the rest of the fodder for this chapter comes from Bruce Campbell from Policy Options. Their paper is (was) the most complete, honest and informative that the author of this book read ...the free trade-driven integration of the Canadian economy with the US has spawned proposals for a North American Monetary Union (NAMU) that would replace the current system of national currencies and floating exchange rates. Exchange rates of the NAFTA countries would be permanently fused in a single North American currency. (Monetary union is an extreme version of a fixed exchange rate system). NAMU, once thought to be far fetched, has gained further credibility with the establishment of the European Monetary Union (EMU) in 1999. The proposal for monetary union has come from several prominent conservative academics (Harris and Courchene 1999; Grubel 1999).

It also has some support within the business community. Politically, both the Bloc Quebecois and the Conservative party (both wings), have publicly supported the concept. The policy establishment as well as most economists—conservative and progressive—support the existing independent floating exchange rate system and do not favour NAMU. Although supporters of both views can be found within the business community, the major Canadian business lobby groups: the Chamber of Commerce, the Alliance of Manufacturers and Exporters, the Conference Board, and the Canadian Council of Chief Executives, also currently prefer the floating exchange rate system. Notably, the Bank of Canada governor, David Dodge, has left open the door to the possibility of a NAMU at some future point if there is sufficient convergence of the two economies.

What is being proposed: Proponents of a North American Monetary Union argue that the logic of globalization is intensifying pressure for dollarization—greater use of

the US dollar in international business transactions, and the formal adoption of the US dollar by several developing countries. Moreover, they say, the logic of globalization is moving eventually towards the creation of (three) regional currency blocs and Canada should act now to negotiate monetary union on more favourable terms than would be available when imposed on Canada down the line. The proposed NAMU would be similar to the European Monetary Union. At an agreed upon date (and transition period), the three NAFTA countries would replace their currencies with a new currency unit at an agreed upon rate of exchange.

At the same time, the central banks of all three countries would be replaced by a North American Central Bank. New notes and coins would be produced for the North American monetary unit, replacing the notes and coins of each country. As occurred in the European case, the first phase of the transition to NAMU would be to set up a system of fixed exchange rates between the three countries. NAMU would also, like the EMU, be accompanied by binding fiscal rules adopted by the three countries—for example rules limiting the size of deficits and debt. According to proponents, the new North American Central Bank would be beyond the political control of any one government. How each country would be represented on the governing NAMU bank board is not clear, but in the decision-making structure of European Central Bank each government has an equal voice. Some NAMU proponents concede that the idea of a NAMU might be a difficult sell in the US. They suggest that while the US dollar would likely become the single North American currency, Canada (and Mexico) would negotiate a place within the US Federal Reserve System as the 13th Reserve District, where it would have influence over North American monetary policy comparable to that of member countries of the European Central Bank.

The existing system—independent floating exchange rate: Canada, like many countries, has an independent flexible, or floating, exchange rate system. This means that the price of our currency in relation to other currencies--the exchange rate--is

allowed to move freely according to demand and supply (with rare interventions by the Bank of Canada). For example, when demand for Canadian dollars by holders of US dollars to pay for Canadian exports (or to make investments in Canada), exceeds the supply of Canadian dollars, the Canadian dollar rises in relation to the US dollar.

Conversely, when demand for US dollars to pay for imports from the US (or to withdraw investments from Canada), exceeds supply, the Canadian dollar falls in relation to the US dollar. Since the 1930s, Canada has maintained a floating exchange rate system, except for two brief periods—1962 to 1970 and 1939 to 1950--when the price of the dollar was fixed in relation to the American dollar. Key Issues and Arguments: Claimed costs of the floating exchange rate system: In order to make their case for NAMU, proponents argue that the existing floating exchange rate system has a number of costs or weaknesses that the NAMU would eliminate. They also claim that NAMU would have additional benefits over the existing system.

We examine these claims and then present counter arguments. We also outline several key advantages of the floating exchange rate system. Under the floating exchange rate system, the Canadian dollar been on a downward course since the mid-1970s—falling from parity with the US dollar to the current rate of seventy-five US cents (around sixty-nine cents in early 2025). This, they say, represents a large drop in Canadian living standards. Counter-argument: Economists are generally agreed that, even if in the short-term changes in the exchange rate may affect economic activity and living standards (positively or negatively), in the long term (certainly the thirty years mentioned here) money is neutral.

There is no causal relationship between exchange rate movements and living standards. In the late 1990s, when the Canadian dollar dropped ten per cent against the US dollar, inflation did not rise, national income was higher, and more people were employed than if adjustment to the Asian financial crisis had occurred under a fixed exchange rate. People did have to pay somewhat more for imported goods and foreign

travel. While the record shows that average US living standards (per capita income) have increased faster than in Canada over the last two decades, the causes are complex.

They have to do with employment and productivity growth, and the changing relationship between prices of exports compared to prices of imports, which in turn are rooted in economic structures and institutions. Under a floating exchange rate system, wide fluctuations in the Canadian dollar against the US dollar, have impeded trade and investment flows. Counter-argument: Notwithstanding the major currency fluctuations under the existing system, there has been a massive increase in Canada-US trade and investment flows since 1989. Trade as a share of GDP jumped from twenty-five to roughly forty per cent of Canada's GDP, and Canada's exports to the US jumped from seventy-five to eighty-seven per cent of total exports.

Under the flexible exchange rate system, the dollar has been allowed to fall and as a result Canadian manufacturers and workers have been shielded from the discipline of international competition that would otherwise force businesses to become more efficient and productive, and workers to temper their wage demands. Counter-argument: This is the so-called the lazy manufacturers' thesis. A comprehensive Bank of Canada study (2002)) found no statistical correlation between manufacturing productivity growth and Canada-US exchange rate movements. Furthermore, this thesis ignores the fact that a falling dollar also makes imports of machinery and equipment more expensive. Since Canadian manufacturers depend heavily on these imports, a falling dollar could as easily be seen to be adversely affecting their ability to compete.

In the late 1990s, the low dollar did help many firms expand exports and increase profits, but these were used to boost investment in equipment, which improved productivity. Nor did wages rise. Canadian manufacturing productivity growth during 1992-2002, a declining loonie period, actually outperformed US productivity in most manufacturing sectors, but greatly under-performed in two key sectors—machinery and equipment and electrical/electronics. Canada's lagging productivity in relation to the US

is rooted in such factors in relatively lower use of capital in economic activity, an underdeveloped high-tech sector, low levels of R&D and innovation. Claimed benefits of NAMU over the existing system.

It would eliminate the cost of currency transactions between the two countries—a saving to people and business engaged in cross-border transactions. Grubel (1999) estimates this “efficiency gain” at 0.1% of the National Income. Counter-argument: Transaction costs are exceedingly small and have not been a source of complaint from Canadian business generally. They can easily protect themselves through currency hedging instruments—swaps, futures, etc. Transaction costs, small as they are, tend to be overstated. For example, sixty per cent of Canada-US trade takes place among different affiliates of the same transnational corporation. As intra-firm transactions, they appear merely as book entries and involve no cost. Moreover, the very small, estimated savings to the public would be mostly neutralized by the costs of conversion to the new currency.

Finally, the losers, namely the banks that profit from brokering currency transactions, would use their market power to recoup these losses through higher service fees for related activities. This is what in fact European banks did after the transition to the Euro, thereby offsetting any potential saving from reduced transaction costs. It would lower real (inflation adjusted) interest rates because it would eliminate the risk to foreign holders of Canadian securities (especially holders of long-term bonds), of a depreciating Canadian dollar. As such, it would reduce the spread, or difference, between Canadian and US interest rates. Counter-argument: Monetary union would be analogous to a situation of fixed exchange rates, which Canada had during 1962-70. The evidence shows that real interest rate spreads between the Canada and the US were not lower during this period.

Moreover, during 1980 to 2001, a period of greater exchange rate volatility, the real interest rate spread did not increase. On the contrary, the spread during this period

was in fact slightly lower on average than the period 1950-79, a period of much less exchange rate volatility. Government monetary and fiscal policies (as they affect the perceptions of currency traders) are the key determinants of short- and long-term real interest rates and hence the spread between Canadian and US interest rates. NAMU would impose monetary and fiscal discipline on governments. Like the EMU it would establish rules that place limits on governments' ability to incur deficits and accumulate debt. This would constrain governments, present and future, from pursuing expansionary monetary and fiscal policy (including countercyclical deficit financing). Under a floating exchange rate system, Canadian authorities have imposed tighter (low inflation) monetary policies than their US counterparts for the last fifteen years or more.

The federal government has also imposed very tight fiscal discipline for more than a decade— compared to both the US government and European governments in the lead up to EMU and its aftermath. (One can debate whether or not these policies were wise, and in general, the government's role in managing the economy, but that is another issue).

Benefits of Canada's floating exchange rate system. It plays an effective role as a shock absorber, easing the negative impacts of external shocks to the economy on Canadian businesses and workers. In Canada, unlike the US, resources form a much larger share of exports. The Asian monetary crisis and recession of the late 1990s cause demand for, and prices of, Canadian resource exports (especially British Columbia forest products) to fall sharply. With a fixed exchange rate, Canada would have been forced to raise interest rates to maintain the value of the dollar causing a decline in exports, recession, and job losses in Canada. (Under monetary union, Canada would permanently lose control over interest rates). As it happened, the dollar fell, cushioning somewhat the blow to the resource sector by lowering costs, spurring exports of manufactured products, and shifting some of demand for imports (because of now higher prices) to domestic producers.

As a result, growth remained steady, and unemployment did not increase overall; resource prices eventually strengthened, and the dollar recovered its previous exchange rate. With a fixed rate system, the burden of adjustment would have fallen heavily on production and employment cutbacks, resulting in more damaging effects to the economy. Under a flexible rate system, the burden of adjustment is more equitably shared and spread out. Exchange rate volatility is substituted for output and employment volatility.

A fixed exchange rate system, unlike a floating rate, requires large buffer stocks of foreign currency reserves and, additionally, access to international lines of credit to protect against devaluation. Thus, under a fixed exchange rate system, the Canadian monetary authority would surrender to US or international monetary authorities, its ability to regulate financial institutions and provide emergency liquidity as lender of last resort during a financial crisis. (Examples include a domestic bank failure or a wholesale exodus of foreign investors holding Canadian debt.) Under NAMU, the US would effectively take over the role of financial regulator and lender of last resort.

A floating exchange rate system permits Canada to have an independent and politically accountable monetary policy. The Bank of Canada can set interest rates for reasons other than defending the currency value. Monetary policy is a vital tool of macroeconomic management to balance national inflation and employment objectives. Only two of three conditions, economists agree, can prevail at the same time—capital mobility, fixed exchange rates, or monetary policy autonomy—but not all three. Thus, in a world of highly mobile capital as we currently have, a move to a fixed exchange rates (or monetary union) would mean the surrender of policy independence.

It would also increase pressure to reduce differences with the US in social program, labour market regulation, and other policy areas. Choices for Canadians. Several political agendas are behind NAMU - it is being pushed by conservative economists who are ideologically opposed to any kind of government activism or

interference in the economy, and they see NAMU as a way to lock-in this vision. It also includes economists--globalization zealots--who see the writing on the wall for nation states, at least in the economic sphere. The same ideological affinity drives interest in NAMU amongst many in the Conservative Party. Additional support stems from antipathy toward past Bank of Canada insensitivity to regional interests, and the lack of regional input into monetary policy decision making.

The support of Quebec sovereigntists for monetary union is more complex. They (accurately) see it as facilitating the exit of Quebec from Canada. However, given the implications for political sovereignty, independence movements have tended to want their own currency and monetary policy control. Quebec sovereigntists not only favour monetary union, they also would support unilateral adoption of the US dollar. The main reason is one of confidence. It would reduce fears about economic instability in the event of separation, and thus appeal to potential supporters in a future referendum who might otherwise be dissuaded by the prospect of instability.

Quebec, according to many sovereigntists, has no control over monetary policy now, and thus, it is a matter of indifference to them whether control is exerted by Ottawa or Washington. Most observers, including many NAMU proponents, believe the possibility that the Americans would give up their dollar for a new North American currency is about as likely as a resurgence of the flat earth society. The overwhelming dominance of the US economy—almost ninety per cent of North American GDP, the US dollar's primacy as a global currency, as well as the aggressive nationalism of American policy makers, make the proposal a non-starter. The only realistic alternative would be for the smaller partners to adopt the US dollar.

Dollarization has received some marginal attention within US policy circles and the Congress. They have made clear, however, that any country wishing to dollarize unilaterally would get no special deviations or concessions from US monetary authorities and US economic priorities. Some NAMU proponents (Courchene and Harris)

argue that Canada could negotiate Canada's entry into a North American dollarized monetary union as the thirteenth district within the US Federal Reserve System. This would provide Canada an influence, albeit small, over monetary policy, comparable to the member countries of the European Central Bank. Since, in a globalized financial economy in which, they say, Canada has limited influence anyway, this would not represent much of a concession. The possibility that the Americans would seriously entertain such proposal is remote to say the least.

And if they were to enter into negotiations, what control would the US be prepared to give up; and what concessions would Canada have to make to get a deal? The experience of FTA-NAFTA provides a foretaste of what to expect. There are many additional problems with this proposal. Although nominally a federal system, the Federal Reserve is in fact highly centralized, with the power residing in the Board of Governors the majority of whose members are appointed by the US Administration and a minority of five representing the twelve regional reserve banks. How would Canada negotiate itself a place of influence within the Board of Governors? Secondly, the regional banks are in fact private institutions owned by six-member commercial banks in each district. Inserting the Bank of Canada, a public, politically accountable, institution, into the quasi-privatized US system, would be challenging indeed.

The governing structure of the EMU also has problems, notably, a lack of political accountability. But member countries can argue with some justification that it constitutes a pooling of sovereignty with each country having an equal voice. No such claim could be credibly made for NAMU. Canada would almost certainly surrender sovereignty to the dominant partner. More importantly, unlike NAMU, European monetary union has been undertaken as part of a process whose stated goal is the political unification of Europe. In the real world of today the best alternative for Canada is, indisputably, the status quo. The independent floating exchange rate system has served Canada reasonably well over the last seventy-five years.

An independent monetary policy and a national currency have long been vital instruments of economic management, nation-building and national identity for Canada. Over and above the questionable economic benefits claimed by NAMU proponents, the political issues of sovereignty, national identity and democratic accountability will no doubt dominate any future debate around NAMU. In multilateral forums, Canada should advocate reforms that both promote international monetary stability and enhance the policy tools available to all national governments to promote the well being of their citizens to whom they are (or should be) democratically accountable.

Sources for this chapter include Bruce Campbell and Maclean's



The North American Leaders' Summit (NALS), called the Three Amigos Summit in English and Cumbre de Los Tres Amigos in Spanish, is the trilateral summit between the Prime minister of Canada, the President of Mexico, and the president of the United States. Most recent North American Leaders' Summit was hosted by Mexican President Andres Manuel López Obrador in January 2023 in Mexico City. Photo courtesy UPI



Mexico's new Pr sidente Claudia Sheinbaum (photo courtesy USA Today) & Donald Trump (Biography)

Chapter Ten

Destain For Mexico & Its Populace

Mexicans hold generally positive views of the United States, while Americans hold generally negative views of Mexico – a reversal from 2017 – according to Pew Research Center surveys conducted in both countries earlier last year. Mexicans and Americans view the other country in opposite ways: Most Mexicans have a favorable view of the U.S., compared with who hold an unfavorable view. By contrast, sixty per cent of Americans have an unfavorable view of Mexico, while thirty-seven per cent have a favorable view of their southern neighbor.

Attitudes have changed markedly over time, as recently as 2017 – when Donald Trump was the president (first time around) of the U.S. – only twenty-nine per cent of Mexicans had a favorable opinion of their northern neighbor. And sixty-five per cent of Americans had a favorable opinion of Mexico. The Economist ran this story on how Mexico had become the “enemy” of American Republicans (before Donald Trump returned as President for a second go around) ... more than once, as president, Donald Trump mused about firing missiles at the drug labs of Mexican cartels. “No one would know it was us,” he declared, before being talked out of the idea. Mark Esper, the then defence secretary, recounted the incident in his memoirs published last year, astonished that bombing a neighbour could be seriously thought of.

Now the extraordinary is becoming more commonplace as Republicans argue that greater use of military force, or the threat of it, can help control America’s southern border and curb the smuggling of fentanyl, a synthetic opioid that is produced illegally in Mexico.

One congressman, Michael McCaul of Texas, has introduced a bill to classify fentanyl as a “chemical weapon”. Lindsey Graham, a senator from South Carolina, is pushing one to designate Mexican cartels as “foreign terrorist organisations”. Dan

Crenshaw and Mike Waltz, congressmen from Texas and Florida respectively, have proposed another that would authorise “all necessary and appropriate force” against foreign states, organisations or people linked to trafficking fentanyl.

Republican presidential candidates, too, are talking tough. Ron DeSantis, the governor of Florida, has suggested a naval blockade of Mexico-bound shipping to halt the import of fentanyl precursor chemicals from China. Nikki Haley, a former ambassador to the UN, has proposed sending in special forces with a warning to Mexico: “Either you do it or we do it.” Tim Scott, the other senator from South Carolina, declared in May, “I will allow the world’s greatest military to fight these terrorists.”

Tucker Carlson, a former Fox News host beloved by America’s hard right, goes further, regarding Mexico as an outright foe. On July 14th, while interrogating Republican presidential hopefuls (minus Trump) at the Family Leadership Summit, a gathering of religious conservatives in Iowa, he grilled Scott about his support for Ukraine: “No Americans killed by Russia. Hundreds of thousands killed by Mexico. But Mexico is our ally and Russia is our enemy—how does that work?” Scott did not demur from the idea that Mexico was an enemy, but said America could deal with Russia and Mexico simultaneously.

Mexicans feel they are again the piñata of America’s election season, freely beaten by any politician. Earlier this year Mexico’s president, Andrés Manuel López Obrador, a left-wing populist who got on with Trump, took issue with the militarist talk, saying: “In addition to being irresponsible, it is an offence to the people of Mexico, a lack of respect for our sovereignty.” He warned that he might urge Mexican and Hispanic voters not to cast their ballots for Republicans.

The anti-Mexican mood on America’s right is hardening, moving beyond Trump’s cheap shots against migrants in 2015, when he said, “they are bringing drugs, they’re bringing crime, they’re rapists.” According to tracking polls by YouGov, Republican voters are fast turning against Mexico. Roughly as many think - Mexico is now an

“enemy” as consider it an “ally,” with about forty-five per cent supporting each proposition (see chart). Democrats are largely unchanged, with about seventy per cent regarding their southern neighbour as an ally. The Republican disenchantment has grown in the past year.

At least three factors may be at play. The first is frustration over fentanyl-related deaths, which rose sharply in 2020 and 2021. The drug has become the biggest killer of Americans aged eighteen to forty-five, responsible for most of the seventy-thousand deaths from overdoses of synthetic opioids in 2021. Second, suggests Mark Jones of Rice University, the defeat of Trump “unshackled” Republicans, freeing them to denounce President Joe Biden for his handling of the border. “There is no better issue for Republicans,” he says. “It mobilises their base. And it splits Democrats: whatever Joe Biden does will seem too fascist by the left and too permissive by centrists.”

A third factor, adds David Frum, a writer and former speechwriter for President George W. Bush, is the war in Ukraine. Given the MAGA movement’s hostility to Ukraine and sympathy for Russia—a position that runs against many voters’ views—denouncing Mexico allows them to cast themselves as “guardians of the country.”

Such policies are gaining an intellectual underpinning through a network of Trump-leaning think-tanks preparing for a future administration. A paper by the Centre for Renewing America, entitled “It’s time to wage war on transnational drug cartels,” is reported to have caught the attention of Trump, among others. Its author, Ken Cuccinelli, argues that America should be free to take military action in Mexico given that its government does not fully control its territory. Never mind that it would stir deep anti-Americanism, or that treating Mexico like a failed state might turn it into one. “Mexico is not a friend. It is complicit in the drug cartels,” says Cuccinelli. “It’s time to acknowledge that the relationship has changed.”

Outside of the ivory tower, former President Nixon speech writer and conservative pundit Pat Buchanan in 2006 warned of an “Aztlán Plot” fomented by

Mexican conspirators to recapture lands lost under the Treaty of Guadalupe Hidalgo, thus effecting a “Reconquista” of the American southwest. Comparing Mexicans to the barbarians invading ancient Rome, he referred to “the Third World invasion and conquest of America” as a “state of emergency.” In an interview with Time magazine, he warned:

If we do not get control of our borders and stop this greatest invasion in history, I see the dissolution of the U.S. and the loss of the American southwest—culturally and linguistically, if not politically—to Mexico. It could become a part of Mexico in the way that Kosovo is now a part of Albania.” Even more hyperbole was forthcoming from Chris Simcox of the Minutemen Civil Defense Corps, a vigilante group he founded to patrol the Mexico–U.S. border. On the organization’s website, he rhetorically asks, “Are terrorists exploiting our porous borders?” and then supplies the following answer: “We know drug dealers, gang bangers and way too many criminal foreign nationals are creating havoc in our communities and threatening our public safety.”

The legal foundations for the criminalization not just of undocumented hiring, but of undocumented migrants themselves were laid by the 1996 Antiterrorism and Effective Death Penalty Act, which gave the federal government new police powers for the “expedited exclusion” of any alien who had ever crossed the border without documents (no matter what his or her current legal status) or who had ever committed a felony (no matter how long ago). These provisions—coming on the heels of a decade of draconian drug laws and three strikes legislation—instantly rendered thousands of legal resident aliens deportable, many of whom had entered as infants and spent their entire lives in the United States.

The law also delegated to the State Department absolute authority to designate any organization as “terrorist,” thereby making all members of groups so-designated immediately excludable and deportable. It also narrowed the grounds for asylum and added alien smuggling to the list of crimes covered by the Racketeer Influenced Corrupt

Organizations (RICO) statute, while severely limiting the possibilities for judicial review of deportations. According to, this legislation constitutes “the most ferocious assault on the judicial review of immigration decisions” ever launched “by creating new removal courts that allow secret procedures to be used to remove suspected alien terrorists; by shifting the authority to make ‘expedited removals’ to immigration inspectors at ports of entry; and by setting unprecedented limits on judicial review of immigration decisions.”

The events of September eleven thus occurred against a background of rising animus toward immigrants and a growing assault on their civil liberties and social rights. In response to the terrorist attacks Congress on October 26, 2001, passed the USA PATRIOT Act, which granted the executive branch expansive new powers to deport, without any hearing or presentation of evidence, all aliens—legal and illegal—that the Attorney General had “reason to believe” might commit, further, or facilitate acts of terrorism. For the first time since the Alien and Sedition Act of 1798 Congress voted to permit the arrest, imprisonment, and deportation of non-citizens upon the orders of the Attorney General without judicial review.

Over the course of U.S. history attacks on immigrants have waxed and waned. What distinguishes the current wave of anti-immigrant hysteria from its predecessors is not its demonizing of foreigners or its harsh treatment of non-citizens per se, but its use of the fear of foreigners to launch a broader assault on the civil liberties not just of immigrants, but of all Americans, for the Patriot Act also permits unprecedented surveillance and incarceration of U.S. citizens, again at the discretion of the executive branch and without review. As Zolberg notes “while the challenges posed by international migration are real and warrant a worldwide reconsideration of prevailing regimes, the resurgence of nativist responses constitutes a more immediate threat to liberal democracy than immigration itself.” It is no coincidence that the only U.S. citizen

now held in indefinite detention without charge and without a hearing is a dark-skinned Latino, Jose Padilla.

All of the boundary work being done by academics, pundits, and politicians to frame Latin American immigrants as a threat and categorize them socially as undesirable has affected public opinion, turning it steadily against Latinos. According to polls conducted by the Pew Charitable Trusts, as late as 2000 only thirty-eight per cent of Americans agreed that “immigrants today are a burden on our country because they take our jobs, housing, and health care.” Five years later, the percentage had risen to forty-four per cent; and as the drumbeat of anti-immigrant rhetoric reached a crescendo in 2006 it became a majority viewpoint at fifty-two per cent. In keeping with this shift, the percentage of Americans who rated immigration as a moderately big or very big national problem rose from sixty-nine per cent in 2002 to seventy-four per cent in 2006.

As of the year 2006, almost half of all Americans opined that “newcomers from other countries threaten traditional American values and customs” and fifty-four per cent said that the United States needed to be “protected against foreign influence.” Not surprisingly, given these views, half said they believed that immigrants kept to themselves and do not try to fit in;” fifty-six per cent said they “don’t pay their fair share of taxes; fifty-eight per cent believed that immigrants do not learn English in a reasonable amount of time;” and sixty per cent of those who had heard of the Minutemen approved of their activities.

As expected, the social space generally occupied by esteemed in-group members (high warmth, high competence) includes groups such as Canadians, Europeans, documented immigrants, and third generation immigrants. Likewise, the space generally occupied by envied out-groups (high competence, low warmth) is occupied by classic middlemen minorities such as the Koreans, Chinese, Japanese, and Asians generally. Eastern Europeans, first generation immigrants, Russians, Germans, French, and Middle

Eastern immigrants occupy a middle position of moderate warmth and moderate competence.

UC Berkeley had this to say a few years ago ... reality of a country with one of the highest levels of inequality in the world. A country with a permanent subclass of fifty million people who live below the poverty line. A country saddled with alarming figures. The wealthiest one percent receives twenty-one percent of the income. The wealthiest twenty-one percent concentrates 64.4 percent of the country's total wealth. The wealth of the sixteen richest Mexicans grew thirty-two percent between 2007 and 2012, and this growth exceeds that of many other fortunes across the globe. In 2002, their wealth represented two percent of GDP; in 2014, it was equivalent to nine percent of GDP. And in the first four places are men who have made their fortunes in sectors regulated by the state. They are "creatures of the state," which they are subsequently able to capture due to lack of regulation or an excess of fiscal privileges. While GDP per capita grows one percent annually, the fortune of the sixteen wealthiest Mexicans multiplies by five.

Today, the words used to describe the Mexican political system are "disappointment," "incomplete democracy," "truncated transition," "institutionalized impunity," "simulation," and "regression." Instead of responding to public interests, the political class promotes private ones. Instead of resolving problems, the institutional framework kicks them forward. Instead of generating incentives for representation, current rules impede it from happening. Instead of empowering citizens, the transition has ended up strengthening oligarchs.

Applauded but incomplete rules for electoral competition only perpetuate the rotation of party stalwarts, inaugurated by the PRI but emulated by other parties, thus creating a skin-deep democracy that preserves the privileges of a political elite that jumps from post to post, without ever having to be accountable. Perhaps that explains why only four per cent of the population trusts political parties and only ten percent of the electorate believes that legislators legislate in their name. Mexicans look at political

parties and see a story of “privatization,” of organizations that promised to embody something different but ended up acting the same way. Mexicans see parties with some differences in what they offer, but many similarities in how they behave. They see pluralism in terms of political promises, but unilateralism in how they govern. They see political parties that are corrupt, that refuse to be accountable, that refuse to reduce outrageously high public financing for themselves, that instead of combatting impunity, too often benefit from it.

Mexico’s dysfunctional democracy was created to assure elite rotation, but not citizen representation. It was created to promote competition among parties, but not to hold them accountable. It was instituted to achieve the sharing of power, but not to hold that power up to public scrutiny. The many electoral reforms that accompanied the transition have produced political parties that are like cartels and operate as such. They have become employment agencies for a political class financed by citizens, but impermeable to their demands.

Sources for this chapter include. Poushter, J. Lippert, S. Austin of Pew Research Center & D. Dresser

Chapter Eleven

The United States Vulgar Underbelly

Choose a minority group whose members are somehow identifiably different from the majority. Once the group has been selected, the next step in creating an underclass is to confine its members to a small number of continuous residential areas and then to impose on them stringent barriers to residential mobility... Once a group's segregation in society has been ensured, the next step in building an underclass is to drive up its rate of poverty... The interaction of poverty and segregation acts to concentrate a variety of deleterious social and economic characteristics... Through prolonged exposure to life in a racially isolated and intensely poor neighborhood, poverty will quite likely be passed to children in the next generation. When this point is reached, a well-functioning and efficient structure for the construction and maintenance of an urban underclass will have been created - American Apartheid

Of the thousands of stories, articles, papers, and essays that the author read for this book, its this next article that really tells the story of what has gone wrong and why it went wrong regarding America's (and to a lesser extent – Canada's) disdain for Mexico and its people. Here is (most of anyways) the National Library of Medicine – Racial formation in theory and practice - the case of Mexicans in the United States report (by Douglas S. Massey) ... beginning in the 1970s, however, and accelerating in the 1980s and 1990s, Mexicans were increasingly subject to processes of racialization that have rendered them more exploitable and excludable than ever before. Over the past decade, Mexican Americans moved steadily away from their middle position in the socioeconomic hierarchy and gravitated toward the bottom. This paper describes the basic mechanisms of stratification in the United States and how Mexicans have steadily been racialized to label them socially as a dehumanized and vulnerable out-group.

In the sweep of American history, many groups have been targets of prejudice and discrimination. African Americans have traditionally been the objects of the

harshest and most durable processes of exploitation and exclusion. Nonetheless, successive waves of European immigrants and their descendants had to struggle long and hard to be accepted as “white “and some groups did not achieve this until the 1970s. Although presently there is little framing or boundary work to create important social distinctions among European origin groups, mechanisms of exploitation and exclusion continue to operate against African Americans and Mexicans. Indeed, in many ways mechanisms of exclusion and exploitation directed at Mexicans have grown harsher in recent years.

By themselves, Mexican Americans constitute the nation’s second largest minority group, with around twenty-eight million people, compared to thirty-eight million African Americans, and when they are combined with others of Latin American origin, they constitute the nation’s largest single minority group—Latinos. Not only do Mexicans constitute two-thirds of the entire Latino population; but it is doubtful whether the average Anglo-American can distinguish between mestizos of Mexican, Guatemalan, Salvadoran, Peruvian, or Colombian origin. To the extent that boundary work and framing are carried out within American society to position Mexicans as a racialized “other,” these mechanisms are bound to have spillover effects on other Latinos.

Mexicans first came into the United States in 1848, when the Treaty of Guadalupe Hidalgo ended the Mexican American War and ceded to the United States the present states of Texas, Arizona, New Mexico, and California, along with parts of Utah, Colorado, and Nevada. With its signing, more than fifty thousand Mexicans suddenly became U.S. citizens; and with the stroke of a pen, they were transformed from being a majority in their own country to a minority in an alien land.

The bulk of the new citizens lived in New Mexico and Texas, and the latter, being a slave state, quickly relegated Mexicans to the wrong side of the color line—not enslaved like African Americans, but certainly not accorded the rights and privileges of

white Europeans. Through a variety of categorical mechanisms—some legal and some only quasi-legal—Mexicans were systematically disenfranchised of their property and liberties and turned into landless laborers for white land and business owners. Although Mexicans were also disenfranchised and subordinated outside of Texas, the degree of subjugation elsewhere was not as severe initially, but grew progressively worse over time as Mexican populations grew.

By the end of the nineteenth century, Mexicans had been transformed socially and economically into a subordinate stratum subject to widespread discrimination and systematic exclusion. The degree to which Mexicans had been transmuted from masters of their own domain into a racialized source of cheap labor for whites is indicated by the Senate Dillingham Commission report of 1911, which described Mexicans as “notoriously indolent and unprogressive in all matters of education and culture” doing dirty jobs fit only for “the lowest grade of non assimilable native-born races” though their “usefulness is, however, much impaired by [their] lack of ambition and [their] proneness to the constant use of intoxicating liquor”.

The roughly fifty-thousand Mexicans absorbed into the United States in 1848 expanded mainly through natural increase until the twentieth century. Although fertility rates were high, so were levels of mortality, and the rate of demographic expansion was modest. By 1900, the Mexican origin population of the United States was only around 150,000, and in that year just two-hundred and thirty-seven Mexicans arrived as immigrants. Although racism against Mexicans was real and ongoing, their small numbers and geographic isolation meant that categorical mechanisms of inequality established to ensure their subordinate status had little effect on inequality within the nation as a whole.

This status quo was upset in 1907. In that year, the United States and Japan concluded a “Gentlemen’s Agreement” under which Japanese authorities agreed to prevent the departure of its citizens for the United States, in return for which the United

States agreed not to inflict upon Japan the indignity of prohibiting their entry. This action caused a serious disruption of western labor markets, for Japanese immigrants had come to comprise the backbone of the region's unskilled workforce. In response, western employers looked southward and began to recruit Mexicans, first to work on the railroads, then in mines and farm fields, and finally in factories.

As the Dillingham Commission put it, "Mexican immigration may increase for some time as this race offers a source of labor to substitute for the Asiatic in the most undesirable seasonal occupations." Indeed, the Commission continued, "in the two southern California districts where the force of field workers is predominantly Mexican, the Mexican is preferred to the Japanese. He is alleged to be more tractable and to be a better workman in one case. In the other he is said to be a quicker and better workman than the Japanese.... Few Mexicans entered the United States before the Gentlemen's Agreement with Japan; but thereafter the flow of legal immigrants accelerated rapidly from near-zero in 1907 to reach 16,000 in 1909.

With the outbreak of the First World War in 1914, U.S. employers were cut off from supplies of immigrant labor in Europe as well as Asia, and as demand for American products grew, employers increased their recruitment of workers from south of the border (Cardoso 1980). When the United States entered the First World War in 1917, labor demand spiked, and worker shortages became chronic as white factory workers were mobilized for military duty. In response, the U.S. government established an official labor recruitment program to assist growers in the southwest (Reisler 1976; Morales 1982) and factory owners throughout the Midwest redoubled their private recruitment efforts.

Thus, the number of contract workers entering the United States grew to 17,000 in 1920 and legal immigration reached an unprecedented 51,000 persons. American insecurities about all things foreign came to a head during the recession that followed the war, and the Red Scare of 1918–1921 was accompanied by a wave of anti-immigrant

hysteria. Congress passed the first quota law in 1921 to curtail immigration from southern and eastern Europe and enacted an even stricter version in 1924. During this period, both legal immigration and contract migration by Mexicans fell, reaching lows in 1922 of 18,000 and 12,000, respectively.

Economic recovery, however, led to a sustained economic boom known as the “roaring twenties,” and given the new restrictions on European immigration and steadily tightening labor markets, recruitment of Mexicans soon resumed. Legal immigration surged again to peak at 88,000 in 1924 and the entry of contract laborers climbed to 18,000. Until this time, the Mexico–U.S. border was little more than a line on a map and was mostly unmarked. In response to growing immigration from Mexico, however, in 1924 Congress created the U.S. Border Patrol and for the first time, the border with Mexico became a tangible reality.

The creation of the Border Patrol brought into existence a new category of Mexican in the United States—the illegal migrant. During its first year of operation, the U.S. Border Patrol apprehended around 4,600 Mexicans attempting to enter the country without documents. Legal entries rebounded in the middle part of the decade, however, to reach 68,000 documented immigrants and 17,000 contract workers in 1927. As these two streams declined in the late 1920s, illegal immigration correspondingly rose, with apprehensions reaching 18,000 in 1930.

From the Gentlemen’s agreement in 1907 to 1930, the number of Mexican-born persons in the United States more than quadrupled, going from 178,000 to 739,000 in a little over two decades and making Mexicans a visible minority in cities throughout the Southwest, Midwest, and Pacific regions. With the crash of the American stock market, however, the surge in Mexican immigration ended as quickly as it had begun. In keeping with percepts laid out by the Dillingham Commission, Mexicans were considered expendable as workers and unassimilable as citizens, and in an era of rising austerity whites framed them as taking jobs that rightfully belonged to “real” Americans and

burdening taxpayers with relief payments that rewarded their natural “indolence.” In keeping with these perceptions, federal authorities joined with state and local officials to organize a series of deportation campaigns that, over the course of a few years, cut the Mexican population of the United States in half.

During the period 1929–1937, some 458,000 Mexicans were arrested and expelled from the United States without due process, including many legal resident aliens and their U.S. citizen children. By 1940, only 377,000 Mexican immigrants were left in the country. Those who remained were pushed to the margins of society, segregated in dilapidated barrios where they attended segregated schools and received inferior services. In these enclaves, Mexicans were transformed from aspiring immigrants into a self-conscious domestic minority, increasingly calling themselves not Mexicans but Chicanos. The degree to which Mexicans were racialized during this period is indicated by the fact in 1930 the U.S. Census Bureau, for the first and only time in its history, enumerated Mexicans as a separate race, alongside Black people.

With the entry of the United States into the Second World War, however, American industry once again mobilized and full employment resumed. In combination with renewed military conscription, the war created new labor shortages, especially in the American southwest and federal authorities quickly forgot about the deportations and quietly turned southward to negotiate a binational treaty for the “temporary” importation of farm workers from Mexico, who became known as braceros. The resulting “Bracero Program” was operated by the U.S. Departments of State, Labor, and Justice in cooperation with the Mexican government and in September of 1942, the first braceros arrived for agricultural work in Stockton, California.

The Bracero Program was instrumental in restarting a migratory flow that had been dormant for more than a decade. In the years leading up to 1942, Mexican immigration to the United States was virtually nil; and although labor flows were revived by the Bracero Program, the number of contract workers remained rather small

throughout the war. From 1942 through 1945, a total of only 168,000 braceros were recruited into the United States. Within urban areas, the children of earlier Mexican immigrants took advantage of the return to full employment and moved upward economically, working at unionized jobs in war industries and translating their newfound affluence into a flashy style known as “pachuco,” whose emblem was a baggy ensemble known as the “zoot suit.”

As with the Japanese earlier in the century, white Californians resented racial inferiors rising above their assigned station, and in the charged atmosphere of wartime Los Angeles, anti-Mexican rioting broke out. On June 3, 1943, a group of servicemen on leave complained that they had been assaulted by a gang of pachucos wearing zoot suits. In response, an angry mob of white soldiers and civilians headed into the Mexican barrio of East Los Angeles where they attacked all males wearing zoot suits, beat them severely while ripping off the offensive garments and burning them on the spot.

Rather than protecting U.S. citizens of Mexican origin, the Los Angeles police swept into the barrio and arrested hundreds of already beat-up pachucos for “disturbing the peace,” several of whom died in jail for want of medical treatment. Although nine white sailors were arrested over the next few days, eight were released without charge and one was let go after paying a small fine. The attacks on Mexicans only ceased when military authorities declared Los Angeles to be off-limits to service personnel. For Mexican Americans, however, a strong message had been sent, even in progressive California, people of Mexican origin were not going to be accepted as equals, no matter where they were born, how much they earned, or how stylishly they dressed.

Although originally envisioned as a “temporary” wartime measure, the booming postwar economy perpetuated growers’ fears of a labor shortage, and under pressure from the Texas and California congressional delegations, the House and Senate extended the Bracero Program on a year-to-year basis through the late 1940s. Despite the extensions, however, the number of bracero visas remained insufficient to meet

rising grower demand and so employers increasingly took matters into their own hands by recruiting illegal migrants directly, especially after 1950 when reinstatement of the draft during the Korean War markedly tightened U.S. labor markets. As Mexicans crossed the border in larger numbers on their way to farms and fields where they knew they would be hired, the annual number of apprehensions went from around 7,000 in 1942 to reach 544,000 in 1952.

With the end of the Korean War, a brief economic recession combined with another surge of anti-foreign hysteria during the McCarthy era to make illegal migration a hot political issue. In 1953–1954, the U.S. Immigration and Naturalization Service (INS) responded to the rising clamor by launching “Operation Wetback”. In cooperation with state and local authorities, the INS militarized the Mexico–U.S. border and organized a mass arrest of Mexicans—or, more accurately, Mexican-looking people. During 1954, the number of Mexicans apprehended by the INS swelled to over a million for the first time in U.S. history.

A key difference compared with the deportation campaign of the 1930s, however, was that this time Congress simultaneously acted to expand the number of temporary work visas, roughly doubling the annual number of braceros admitted per year. From 1955 through 1959, between 400,000 and 450,000 braceros were annually imported into the United States. Legal immigration also surged, going from 9,600 in 1952 to 65,000 in 1956 before leveling off. It was this increase in access to legal avenues for entry, more than stepped-up border enforcement that reduced illegal migration to a trickle during the late 1950s. From a figure of 1.1 million in 1954, the number of apprehensions fell to just 30,000 in 1959, where it remained well into the 1960s.

For a time, Americans seemed content in having a disposable workforce that seasonally traveled to the United States for difficult and demanding work, but which regularly returned to Mexico once that work was done. In the wake of Operation Wetback and the expansion of the Bracero Program, illegal immigration disappeared as

a political issue; but as the civil rights movement picked up steam immigration became controversial in a different way. In addition to overturning Jim Crow and banning discrimination from U.S. markets, civil rights activists sought to purge the nation's immigration system of its racist legacy. As a result, during the 1960s both the Bracero Program and the national origins quotas both came under attack.

The Bracero Program was viewed by civil rights advocates as a corrupt, coercive, and exploitive labor system, roughly on a par with black sharecropping in the South. Under intense pressure from religious groups, unions, and civil rights organizations, Congress downsized the Bracero Program in the early 1960s—reducing the annual number of work visas from 438,000 in 1959 to 178,000 in 1964—before voting in the following year to end the program altogether. In the same year, 1965, Congress passed amendments to the Immigration and Nationality Act that finally abolished discriminatory national origins quotas and lifted the ban on immigration from Asia and Africa.

Instead of racist quotas, the new legislation set a neutral cap of 20,000 immigrant visas per year for each country outside the Western Hemisphere. These visas were allocated to people using a “preference system” that took into account national employment and humanitarian needs. Although viewed as a landmark achievement by the civil rights movement, the 1965 Immigration Act also launched a new trend of restrictive immigration policies toward Mexico by imposing the first-ever numerical limits on immigration from the Western Hemisphere. Subsequent amendments successively put nations in the Western Hemisphere under the 20,000 per-country visa limits, abolished separate hemispheric quotas, and finally established a single worldwide ceiling that was reduced to just 270,000 visas. Whereas in 1965 Mexicans seeking to become legal immigrants faced no numerical limit, by 1980 they found themselves competing with aspiring immigrants from all over the world for a limited number of visas.

Together with the termination of the Bracero Program, these legislative changes dramatically reduced the possibilities for legal entry and virtually guaranteed a rise in undocumented migration. Whereas around 480,000 Mexicans entered the United States each year as braceros or legal immigrants during the late 1950s, the total inflow of Mexicans through legal channels fell to just 62,000 per year from 1965 to 1985, thirteen per cent of its former level. The gap between the demand for visas on the part of employers and workers and the paltry number offered by the government was increasingly made up through undocumented migration, and annual apprehensions along the border climbed steadily from 55,000 in 1965 to 1.6 million in 1985.

In essence, the shift in U.S. immigration policy after 1965 transformed Mexican migration from a de jure guest worker program based on the circulation of braceros into a de facto guest worker program based on the circulation of undocumented migrants. Until 1985, this flow remained overwhelmingly circular, composed primarily of young men moving back and forth for seasonal work in agriculture, construction, manufacturing, and services. Under the unofficial temporary worker program that prevailed between 1965 to 1985, Mexicans remained disposable as workers and unwanted as citizens, as in the Bracero Program, but labor flows were regulated informally as a product of border enforcement rather than under the terms of a formal binational agreement.

Although the presence of undocumented Mexicans in the United States was technically illegal, until the mid-1980s the consequences of this illegality were relatively benign. The size and budget of the Border Patrol rose modestly each year to keep pace with a gradual increase in the underlying volume of undocumented migration and the probability of apprehending an undocumented border crosser remained constant at around thirty-three per cent. The political economy of Mexican migration before 1985 was such that an undocumented migrant could reasonably expect to arrive at the

border and achieve entry after a few tries at small personal risk and with modest financial investment.

The rise of undocumented migration after 1965 was accompanied by new demonization of Mexicans, however. Undocumented Mexicans were increasingly framed as a threat to the nation's security, workers, culture, and way of life. Chavez studied U.S. magazine covers devoted to immigration between 1965 and 2000 and classified them as affirmative, alarmist, or neutral in their portrayal of immigrants. Covers coded as "affirmative" used text and images to celebrate immigration; "alarmist" covers used text and images to convey problems, fears, or dangers associated with immigration; and "neutral" covers were accompanied by articles that offered balanced and factual coverage of immigration issues that was neither affirmative nor alarmist.

Chavez found that alarmist themes overwhelmingly predominated in coverage of immigration after 1965, characterizing two-thirds of all covers devoted to the topic from 1965 through 1999, compared with just nine per cent classified as neutral and nineteen per cent as affirmative. The frequency of alarmist covers also increased markedly over time. Whereas eighteen per cent of the alarmist covers appeared in the 1970s, thirty-eight per cent were published in the 1980s and forty-five per cent appeared in the 1990s. Upsurges in alarmist text and imagery also coincided with recessionary periods in the United States.

The words printed in the texts that accompanied the images generally reinforced the sense of alarm and urgency communicated by the pictures. In time-honored fashion, editors made heavy use of marine metaphors, depicting immigration as a "tidal wave" that was "flooding" the United States and threatening to "inundate" its culture. During the 1970s and 1980s, however, a new metaphor appeared with growing frequency as immigrants and immigration were framed increasingly in martial terms. The Mexico-U.S. border was portrayed as a "battleground" that was "under attack" from "alien invaders" who constituted a "time bomb" waiting to explode and destroy American

culture and values. In this militarized portrayal, Border Patrol Officers became “defenders” who were “outgunned” as they tried to “hold the line” against attacking “hoards.”

Whether the metaphorical language was martial or marine, however, it always portrayed immigration from Mexico as a “crisis.” Going back to the earliest days of the republic, politicians have found it convenient to demonize immigrants during periods of social upheaval and economic insecurity and during the 1980s the symbolic portrayal of immigrants as a threat reached new heights. Ronald Reagan, in particular, framed immigration as a question of “national security” linked to his ongoing prosecution of the Cold War. As a result of communist insurgencies in Central America, he predicted “a tidal wave of refugees—and this time they’ll be ‘feet people’ and not boat people—swarming into our country seeking safe haven from communist repression to the south”. In a 1986 speech, he reminded Americans that “terrorists and subversives are just two days driving time from [the border crossing at] Harlingen, Texas” and his 1987 Task Force on Terrorism reported that immigrants constituted a potential fifth column in the United States because extremists would “feed on the anger and frustration of recent Central and South American immigrants who will not realize their own version of the American dream”.

The labeling of immigration as a national security threat, the symbolic portrayal of the Mexico–U.S. border as a defensive bulwark, and the demonization of Latinos as subversives reached a crescendo in the middle 1980s. The year 1986 was pivotal. Late in that year congress passed the Immigration Reform and Control Act, or IRCA, which contained three far-reaching provisions that drastically reshaped the political economy of migration and transformed the position of Mexicans in the United States. First, IRCA sharply increased funding for border enforcement, initiating an unprecedented expansion in the Border Patrol that continued unabated for two decades. Second, it authorized two legalization programs: one for long-term residents who had been in the

country for at least five years and another for short-term agricultural workers. Finally, it criminalized the hiring of undocumented workers and applied sanctions against employers who knowingly did so.

After 1986, the size and budget of the Border Patrol grew rapidly in a way that was disconnected from the underlying volume of migration. Despite vast expenditures on border enforcement, however, the rate of illegal entry remained steady. By 1990, it was clear that the legislation was not working and with illegal migration once again growing, Congress passed a new series of restrictive amendments to the Immigration and Naturalization Act, imposing new limits on legal family migration, authorizing funding for thousands of additional Border Patrol officers, tightening employer sanctions, streamlining deportation procedures, increasing penalties for immigration violations, and stepping up internal enforcement. From a figure of just 11,000 in 1985, the annual number of Mexicans arrested in the interior of the United States and forcibly deported grew steadily to reach 150,000 in 2005, the largest number since the deportation campaigns of the Great Depression.

The militarization of the border and the escalation of internal enforcement helped to break the traditional pattern of circular migration that had prevailed historically. Whereas the probability that a Mexican would initiate undocumented migration remained constant in the years following IRCA, the likelihood of returning to Mexico once entry had been achieved plummeted after 1986. Rather than deciding not to leave for the United States in the first place, undocumented migrants instead chose to stay longer once they had run the gauntlet at the border and successfully made it into the country.

The falling rate of out-migration and the steady rate of in-migration combined to increase the rate of net undocumented migration and cause an unprecedented acceleration in the number of Mexicans living north of the border. In essence, restrictive U.S. immigration and border policies backfired. Instead of reducing the net annual

inflow of Mexican migrants, they doubled it. U.S. immigration and border policies transformed Mexican immigration from a circular flow of male workers into a settled population of families. By the year 2008, the total number of undocumented Mexicans present north of the border had reached seven million and the total number of foreign-born Mexicans had climbed to around twelve million.

These figures imply that one of every ten people born in Mexico now lives in the United States, and around fifty-five per cent are present in illegal status. At the same time, immigrants have come to comprise a growing fraction of all Mexican Americans, roughly forty per cent as of 2005; and the large number of undocumented among them mean that midway in the first decade of the twentieth century, more than half of all Mexican-born persons—and more than a fifth of all persons of Mexican origin—lack any social, political, or economic rights in the United States. Mexicans are now more exploitable than at any time since the 1850s.

Rather than blaming the deterioration of wages and working conditions on structural changes in the political economy, however, conservative economists such as Borjas (1995) have attributed the trend to a “declining quality of immigrants,” singling out Mexicans in a way that would be familiar to members of the Dillingham Commission. Although the demonization of Latino immigrants as “invaders” and “terrorists” slackened somewhat during economic boom of the 1990s, these framings returned with a vengeance after September 11, 2001, both inside and outside of academia.

Within the academy, intellectuals such as Harvard political scientists offered a reprise of the Dillingham Commission’s assertions about the unassailability of Latin American immigrants: The persistent inflow of Hispanic immigrants threatens to divide the United States into two peoples, two cultures, and two languages. Unlike past immigrant groups, Mexicans and other Latinos have not assimilated into mainstream U.S. culture, forming instead their own political and linguistic enclaves—from Los Angeles

to Miami-and rejecting the Anglo-Protestant values that built the American dream. The United States ignores this challenge at its peril.

Outside of the ivory tower, former Nixon speech writer and conservative pundit Pat Buchanan, has warned of an “Aztlán Plot” fomented by Mexican conspirators to recapture lands lost under the Treaty of Guadalupe Hidalgo, thus effecting a “Reconquista” of the American southwest. Comparing Mexicans to the barbarians invading ancient Rome, he referred to “the Third World invasion and conquest of America” as a “state of emergency.” In an interview with Time magazine, he warned:

If we do not get control of our borders and stop this greatest invasion in history, I see the dissolution of the U.S. and the loss of the American southwest—culturally and linguistically, if not politically—to Mexico. It could become a part of Mexico in the way that Kosovo is now a part of Albania.” Even more hyperbole was forthcoming from Chris Simcox of the Minutemen Civil Defense Corps, a vigilante group he founded to patrol the Mexico–U.S. border. On the organization’s website, he rhetorically asks, “are terrorists exploiting our porous borders?” and then supplies the following answer: “We know drug dealers, gang bangers and way too many criminal foreign nationals are creating havoc in our communities and threatening our public safety.”

The legal foundations for the criminalization not just of undocumented hiring, but of undocumented migrants themselves were laid by the 1996 Antiterrorism and Effective Death Penalty Act, which gave the federal government new police powers for the “expedited exclusion” of any alien who had ever crossed the border without documents (no matter what his or her current legal status) or who had ever committed a felony (no matter how long ago). These provisions—coming on the heels of a decade of draconian drug laws and three strikes legislation—instantly rendered thousands of legal resident aliens deportable, many of whom had entered as infants and spent their entire lives in the United States.

The law also delegated to the State Department absolute authority to designate any organization as “terrorist,” thereby making all members of groups so-designated immediately excludable and deportable. It also narrowed the grounds for asylum and added alien smuggling to the list of crimes covered by the Racketeer Influenced Corrupt Organizations (RICOs) statute, while severely limiting the possibilities for judicial review of deportations. According to Legomsky , this legislation constitutes “the most ferocious assault on the judicial review of immigration decisions” ever launched “by creating new removal courts that allow secret procedures to be used to remove suspected alien terrorists; by shifting the authority to make ‘expedited removals’ to immigration inspectors at ports of entry; and by setting unprecedented limits on judicial review of immigration decisions.”

The events of September eleven thus occurred against a background of rising animus toward immigrants and a growing assault on their civil liberties and social rights. In response to the terrorist attacks Congress on October 26, 2001, passed the USA PATRIOT Act, which granted the executive branch expansive new powers to deport, without any hearing or presentation of evidence, all aliens—legal and illegal—that the Attorney General had “reason to believe” might commit, further, or facilitate acts of terrorism. For the first time since the Alien and Sedition Act of 1798 Congress voted to permit the arrest, imprisonment, and deportation of non-citizens upon the orders of the Attorney General without judicial review.

Over the course of U.S. history attacks on immigrants have waxed and waned. What distinguishes the current wave of anti-immigrant hysteria from its predecessors is not its demonizing of foreigners or its harsh treatment of non-citizens per se, but its use of the fear of foreigners to launch a broader assault on the civil liberties not just of immigrants, but of all Americans, for the Patriot Act also permits unprecedented surveillance and incarceration of U.S. citizens, again at the discretion of the executive branch and without review. As Zolberg notes, “while the challenges posed by

international migration are real and warrant a worldwide reconsideration of prevailing regimes, the resurgence of nativist responses constitutes a more immediate threat to liberal democracy than immigration itself.” It is no coincidence that the only U.S. citizen now held in indefinite detention without charge and without a hearing is a dark-skinned Latino, Jose Padilla.

All of the boundary work being done by academics, pundits, and politicians to frame Latin American immigrants as a threat and categorize them socially as undesirable has affected public opinion, turning it steadily against Latinos. According to polls conducted by the Pew Charitable Trusts, as late as 2000 only thirty-eight per cent of Americans agreed that “immigrants today are a burden on our country because they take our jobs, housing, and health care.” Five years later, the percentage had risen to forty-four per cent; and as the drumbeat of anti-immigrant rhetoric reached a crescendo in 2006 it became a majority viewpoint at fifty-two per cent. In keeping with this shift, the percentage of Americans who rated immigration as a moderately big or very big national problem rose from sixty-nine per cent in 2002 to seventy-four per cent in 2006.

As of the year 2006, almost half of all Americans opined that “newcomers from other countries threaten traditional American values and customs” and fifty-four per cent said that the United States needed to be “protected against foreign influence.” Not surprisingly, given these views, forty-nine per cent said they believed that “immigrants kept to themselves and do not try to fit in;” fifty-six per cent said they “don’t pay their fair share of taxes;” fifty-eight per cent believed that immigrants “do not learn English in a reasonable amount of time;” and sixty per cent of those who had heard of the Minutemen approved of their activities.

Recent studies by Lee and Fiske applied the stereotype content model to various immigrant groups. Based on respondent and subject ratings, they plotted the position of different groups in the two-dimensional space defined by the intersection of warmth and competence. As expected, the social space generally occupied by esteemed in-

group members (high warmth, high competence) includes groups such as Canadians, Europeans, documented immigrants, and third generation immigrants. Likewise, the space generally occupied by envied out-groups (high competence, low warmth) is occupied by classic middlemen minorities such as the Koreans, Chinese, Japanese, and Asians generally. Eastern Europeans, first generation immigrants, Russians, Germans, French, and Middle Eastern immigrants occupy a middle position of moderate warmth and moderate competence.

The groups that occupy the space of low warmth and low competence that corresponds to the most despised out-groups are South Americans, Latinos, Mexicans, farm workers, and Africans; and the most despised immigrant group of all is undocumented migrants, who rate lowest of all on both warmth and competence, such that they approach the portion of the graph usually reserved only for the most detested and socially stigmatized groups, such as criminals and drug dealers. In societal terms this is dangerous territory, since it implies that undocumented migrants are not perceived as fully human at the most fundamental neural level of cognition, thus opening a door to the harshest, most exploitive, and cruelest treatment that human beings are capable of inflicting on one another.

In this context, the U.S. immigration system has assumed a new centrality in the exploitation and exclusion of Latinos. The implementation of employer sanctions increased discrimination against Hispanics in U.S. labor markets, lowering their wages, depressing the returns to human capital, and closing off long-established pathways of upward mobility. At the same time, IRCA promoted a wholesale shift to subcontracting in the unskilled labor market. The militarization of the Mexico–U.S. border, meanwhile, raised the rate of undocumented population growth to increase the number of people in exploitable, powerless categories. Finally, as private discrimination increased and larger shares of the population were being exploited economically, Congress increased

the social penalties for being poor, Hispanic, foreign, and undocumented, cutting even legal immigrants off from public services for which they had heretofore qualified.

As a result of these deliberate policy actions, the political economy facing Hispanics is now vastly harsher and more punitive than the one prevailing before 1986. Historically, Hispanics have occupied a middle position between Black people and whites in the American stratification system, but with the restructuring of the political economy of immigration in the late 1980s and early 1990s, the relative standing of Hispanics declined, and they came to replace African Americans at the bottom of the class hierarchy. In the early 1970s, the average Black male earned roughly sixty per cent of what the average white male earned, while Hispanic males earned around seventy per cent of what the white male level. These relative income ratios prevailed through the early 1980s, but in the middle of that decade IRCA transformed the structure of the low wage labor market and the bargaining position of Hispanic men deteriorated. From 1983 to 1986, the ratio of Hispanic to white income fell from .70 to around .60, where it hovered until 1991 and then dropped below .60 for the first time ever. At about the same time, Black male incomes began rising relative to those of white males and in 1993 the income ratio crossed over the Hispanic–white ratio and from that point onward Hispanics replaced blacks at the bottom of the male earnings hierarchy. Through the 1970s and early 1980s, Hispanic poverty fluctuated at around seventy to eighty per cent of the black level, but during the late 1980s and early 1990s Hispanic poverty rates rose and came to range between eighty to ninety per cent of black rates. With the increase in settlement by undocumented migrants and the shift to family migration following the border build-up that began with operation blockade in El Paso, Hispanic rates of poverty came to equal or exceed those of blacks and the ratio pushed above 1.0 for the first time since poverty statistics had begun being collected.

As discrimination against Latinos in housing markets increased so did levels of Hispanic residential segregation. Whereas the overall level of black segregation fell by

ten points over the past decade and black neighborhood isolation dropped by twelve points, Hispanic segregation rose by six points and isolation increased by ten points; and whereas Hispanics did not satisfy the criteria for hypersegregation in any metropolitan areas during 1980 or 1990, by 2000 both New York and Los Angeles had earned the dubious distinction of becoming hyper segregated for Latino residents.

In the social realm, researchers have also documented the “chilling effect” of the 1996 immigration and welfare legislation on the use of public services by immigrants. Among undocumented migrants, the use of social services, always quite low, fell even further, so that after 1996 fewer than five per cent reported receiving food stamps, welfare, or unemployment insurance while in the United States, and just seven per cent reported putting their children in public schools. More surprising was the decline in services consumed by legal immigrants. After 1996, usage rates for welfare, unemployment insurance, and food stamps all fell sharply to ten per cent or less and according to estimates, every ten per cent cut in the fraction of the public-on-public assistance raises the relative number of food-insecure households by five percentage points.

In 1996 Congress sent a clear signal to legal as well as illegal immigrants, that they were unwelcome in what remained of the American welfare state, and both sets of immigrants got the message loud and clear. In addition to restricting the eligibility of legal immigrants for federal means-tested benefits, however, Congress in 1996 also raised the income threshold required to obtain a sworn Statement of Support. This document is required of all persons seeking to sponsor the legal entry of a family member and requires a household to prove it has enough resources to support the immigrant should he or she become indigent. Congress, of course, sought to curtail family immigration. Rather than standing by and allowing the government to declare them ineligible to bring in relatives, immigrant households fought back by sending more family members into the workforce to bolster collective earnings so they could meet the

higher income threshold. After 1996, older children in Mexican families increasingly dropped out of school and went to work, thus depressing already low levels of education among Latino children and permanently undermining their economic prospects.

Although Hispanics may not have been swept into the prison industrial complex to the same extent as African Americans, they nonetheless comprise a sizeable share of inmates that is disproportionate to their share of the U.S. population. Around five per cent of Hispanic males aged twenty to thirty were in prison or jail in 2000, compared with twelve per cent of Black people and just two per cent of whites. Moreover, in the spring of 2006 the U.S. House of Representatives passed legislation (HR4437) sponsored by Republican Representative James Sensenbrenner to make “unlawful presence” in the United States a felony. It defined unlawful presence so broadly that almost every immigration violation, no matter how minor, technical, or unintentional, became a federal crime subject to imprisonment and deportation. If this act passes the Senate to become law, it will render twelve million people instantly subject to incarceration and represent the largest expansion of the prison industrial complex ever, potentially tripling the size of America’s prison population, already the largest on earth.

Many in Mexico are bewildered, anxious, afraid, so said Denise Dressers in her thesis on why Mexico fell apart and how to fix it. She stated that they (Mexicans) are overwhelmed by the feeling that — in the current context — the country has no remedy or solution or path or horizon or salvation. Yet, the real answer is there. It lies in using this internal and external jolt to clean our house and strengthen its walls. It lies in understanding the foundational problems of corruption and impunity.

Corruption has led to growing, harmful, paralyzing costs. It is the main obstacle for the competitiveness of the country. It has created incentives for those in power — the most opaque and prone to cheating — to spend more resources on construction projects. It leads to the discrediting of institutions allegedly in charge of combatting it,

including prosecutor's offices and the courts. It leads to investment decisions that don't produce social benefits but rather rent seeking. Corruption distorts the economy by inhibiting innovation, competition, and risk-taking, because who you know matters more than how talented you are. Corruption has turned Mexico into a country of sewers. Cheating, lying, and stealing have become Mexico's number one enemies, the biggest impediment to the economic evolution of the country.

But worse still, an anesthetized society for whom these wounds don't hurt as much as they should, and therefore, intermittent demands from below don't create the necessary pressure. Because too many Mexicans believe that the root cause of Mexico's stasis is cultural. Even the president insists this is the case. However, this way of thinking and justifying the unjustifiable is profoundly damaging to the country and its citizens because it suggests that Mexico is corrupt due to tradition, habits of the heart, DNA, history.

But if all Mexicans are corrupt by nature, it means that the country has no way out. The problem has no solution. The problem doesn't have identifiable culprits or an institutional root. When the president and the political class argue that in Mexico, corruption is everybody's fault, they are ascribing moral equivalence between the Casa Blanca scandal and the woman who steals fruit in the market to feed her family. Given that "everybody is bad," what is bad cannot be identified or combatted, beyond appealing to social decency and a return to moral values.

If one doesn't understand why Mexicans are loathed and misunderstood in the US and mostly misunderstood in Canada, after reading this chapter – you should now.

Sources for this chapter include PubMed Central & UC Berkeley

Chapter Twelve

What To Do With The Enemy Below

Experience eliminating the Colombian Medellin and Cali cartels in the early 1990s shows that the U.S. can dismantle these organizations when it becomes directly involved, collaborates jointly with the host governments and local forces, and uses all available national security and law enforcement tools.

According to a Fox News report in early 2025, the cartels, using bribery and terrorist tactics, have cowed, and co-opted the Mexican government to the point that it is unwilling to confront them nor allow the U.S. to take effective action against them. And, even if the Mexican government was willing to tackle the cartels, their military and law enforcement is so rife with corruption they are incapable of effective action by themselves. Our (US) country cannot tolerate a failed narco-state on our border flooding America with poison. The only way forward is for the U.S. to use its massive economic leverage to compel the Mexican government to take a stand against the cartels. President Trump's announced tariff does just this. Because the Mexicans cannot do the job themselves, eliminating the cartels will require a joint campaign through which the U.S. engages in direct action against the cartels, using a range of our law enforcement, intelligence, and military capabilities. The Mexican cartels are more like foreign terrorist groups, like ISIS, than they are the American mafia – and it is heartening that President Trump has signed an executive order designating them as such. It is time to confront them as national-security threats, not a law-enforcement matter.

Attacking the source of the problem overseas does not mean we should pull back from trying to dismantle trafficking operations inside the U.S. But progress abroad will produce exponentially greater results than anything we do at home. Of course, Mexico has a unique perspective regarding the cartels. The Guardian wrote this story (which clarifies this chapter, on the enemy below).

Al-Qaida, Hezbollah, the Islamic State – the list of foreign terrorist organizations (FTOs) is a who's who of America's enemies. Donald Trump wants to add a new one - Mexican cartels. Experts say the designation, which Trump confirmed in his inauguration speech, will not give the US many more tools to go after organized crime, and that it may simply be a threat to force more action from Mexico itself. But some fear it could be the first step towards US military strikes in Mexican territory. The designation is part of Trump's plan to "wage war" on Mexico's cartels, which he claims will address the fentanyl crisis in the US.

Early in 2025, Trump himself claimed that Mexico was "essentially run by the cartels". Trump's promise to designate the cartels as FTOs met with a stiff rebuke from Mexico's president, Claudia Sheinbaum, who rejected the idea outright. "We will work together, but we will not be subordinate," said Sheinbaum. "Mexico is a free, sovereign, independent country. And we do not accept interference in our country." Trump previously threatened to designate cartels as FTOs in 2019, when nine US citizens from an isolated Mormon community in Mexico were murdered, but he held off at the request of the then Mexican president, Andrés Manuel López Obrador.

It is unclear how much impact the designation will have. US agencies already have an array of tools at their disposal to go after transnational organised crime groups by restricting their members' abilities to travel or do business. The main difference would be the range of people that can be targeted, which would widen to include anyone who provides "material support" to the cartels, said María Calderón, from the Wilson Center's Mexico Institute. Material support could mean anything between logistical support and financial services, training and lodging, guns, and false documents. But exactly how that is interpreted would be used depends on political will.

While the designation of cartels as FTOs itself will not authorise US military action in Mexico, some fear it would be the first step towards it. Trump has already suggested bombing drug labs, and has reportedly discussed sending special forces to kill cartel

leaders. “The designation may not provide the US with many more tools, but it does pave the way to the use of military force,” said Mónica Serrano, a security expert at El Colegio de México, although she added that drone strikes would be more likely than boots on the ground. “If the US decides to do that, like Israel has been doing all around its territory, they will be able to,” added Serrano. “The international environment restraining the use of force is much more permissive than it was a few years ago.”

Calls for military intervention are reminiscent of Mexico’s own militarized “war on drugs” that began in 2006, when the government – with US cash and cooperation – deployed the armed forces to take on the cartels, but without addressing the systemic drivers of cartel power: poverty, corruption, weak rule of law – and US demand for illicit drugs. There were high-profile arrests and drug busts, but little change in the flow of drugs going to the US. Meanwhile Mexico became chaotically violent. Trump’s move could alienate Mexico from the outset of his administration, Calderón warned. “It would be a huge blow to the bilateral relation,” she said. “Let’s remember we have migration, mass deportations and the USMCA [free trade agreement] review on the agenda.”

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The concluded electoral cycle broke Mexico’s political violence records. According to the Electoral Laboratory, a Mexican think tank, there were three-hundred and twenty documented attacks against politicians, including ninety-three murders that killed thirty-seven candidates and likely contenders for office. This figure surpasses the thirty homicides reported during the 2021 election and the twenty-four recorded in 2018. The states with the most reported election-related violence were those with some of the highest violence among organized crime groups, such as Chiapas, Guerrero, Jalisco, Michoacán, Morelos, and the State of Mexico, and those, like Oaxaca and Puebla, where organized crime is less visible but growing. Through assassinations and bribery, criminal groups played an unprecedented role in the elections. In much of the 20th century, they merely did the violent bidding of Mexican politicians. In the 1980s, they started bribing politicians at the national level.

In the 2000s, they began intimidating elected municipal and state-level officials, demanding impunity, criminal complicity, and sometimes a hefty cut of local government budgets. These days, they actively select and promote their preferred candidates, intimidate, and kill rival candidates, and dictate voting choices to local populations.

Mexico’s criminal groups are continually and to an unprecedented degree expanding their control over territories, people, legal economies, and institutions. López Obrador has closed his eyes to the security troubles, hoping that if he doesn’t use force against the criminal groups, they will redivide territories and violence will decrease. That approach hasn’t worked—in fact, it’s been disastrous.

Sources for this chapter include Fox News (J. Walters & W. Barr, T. Graham of The Guardian & Brookings

Chapter Thirteen

Mexico Cartels Now Make Drugs in Canada

Canada should be on guard: Mexican drug cartels in Canada could begin to not only kill ordinary Canadians by knowingly selling them deadly drugs like Fentanyl – their operatives can also embed themselves in Canadian society, as they have in the US, leading to ordinary citizens on Canadian streets being victimized.

According to a January 2025 story in the Toronto Star, reporter Peter Edwards stated ... a total of ninety-nine Canadian criminal organizations participated in fentanyl production in 2024, up from fifty-one the previous year, the Criminal Intelligence Service of Canada says. The number of Canadian organized crime groups manufacturing fentanyl has almost doubled in a year, according to a newly released report by the Criminal Intelligence Service of Canada.

A total of ninety-nine Canadian criminal organizations participated in fentanyl production in 2024, up from fifty-one the previous year, the report by the police intelligence group says. No figure was given for the amount of fentanyl produced in Canada and how much of the drug is consumed inside the country. More criminals are drawn to fentanyl trafficking because of an oversupply of cocaine, which has pushed prices for that drug to a twenty-five-year low, the report states.

“Given the recent drop in value for cocaine and over-saturation of this commodity in the Canadian marketplace, drug shipments are increasingly involving more profitable shipments of methamphetamine and fentanyl,” the report says. Most of Canada’s illegal fentanyl makers and traffickers are based in Ontario and B.C, the report states. The report also noted increased diversification among criminal groups, which often use the same smuggling routes for drugs and firearms.

“They can also be moved through the same routes, methods, and networks,” the report states. Criminals also profit from selling both in the illicit cannabis market and through supposedly legal channels, the report states. “They have also infiltrated and exploited the legal framework to continue to profit from high consumer demand,” the report states. Vehicle theft is another reliable money-maker for the crime groups, after doubling from 2022 to 2023. The report said it’s drawing from a study of 668 organized crime groups and estimates there are more than 70,000 organized criminals in Canada. Canada’s organized groups have rebounded since the pandemic to have global reach, with links to forty-eight countries in 2024, the report states.

“The top three countries to which the most groups have links have remained consistent and include the U.S., Mexico, and Colombia — all of which are generally source and transit countries for illicit drugs, such as methamphetamine, fentanyl, heroin, and cocaine,” the report states. “The U.S. also remains the primary source for firearms smuggled into Canada.” Drugs are the prime moneymaker, followed by firearms trafficking and money laundering, the report says.

The post-pandemic diversification has made for organized crime groups in Canada particularly stable, the report says. “Diversification in criminal enterprise involvement allows for (organized crime groups) to more easily withstand disruptions resulting from law enforcement operations, as well to more easily weather shifts in supply and demand for any given market,” the report says.

The report said that more than seventy organized crime groups participate in smuggling illegal firearms from the U.S., while the manufacture of firearms made with 3D printers is an emerging threat. Canadian organized crime groups “will continue to smuggle firearms at the current volume, barring U.S. changes (e.g., reducing ease of firearms acquisition or significantly increasing purchase price),” the report states.

The report pointed to increased cooperation between Canadian organized crime groups. “While traditional, long-term relationships in organized crime still exist in the

Canadian criminal landscape, more fluid and informal associations are increasing,” the report states. “The three most interconnected criminal networks remain outlaw motorcycle gangs, mafia groups, and street gangs,” the report states. The report points to corruption as a real problem as well. “Public sector infiltration, allowing access to sensitive information or decision-making authority that can facilitate criminal activities,” the report states.

The prime hubs for organized crime in Canada are Toronto, Vancouver and Montreal, the report states, estimating that three-quarters of organized crime groups they studied are from Ontario, British Columbia, and Quebec. High population density and infrastructure like airports, ports, and major highways are given as reasons for this density. The report also notes that street gangs travel outside their communities to do violence.

The “dark web” offers an “efficient, covert space to mask or conceal criminal transactions, identities, and other illegal activity,” the report states. “Examples include the use of underground banking or cryptocurrencies to facilitate the laundering and international movement of money.” The report also noted a twenty-four per cent increase in organized crime involvement in human trafficking since 2020.

Staying with the print media, in Toronto Ontario, the Globe and Mail Alexandra Posadzki and Colin Freeze story on crime and fentanyl in Canada confirmed the ongoing drug problem...organized crime groups are producing an increasing amount of fentanyl in Canada, with a growing proportion of those drugs being exported abroad, according to new reports from Canadian financial and criminal intelligence agencies.

The number of organized crime groups in Canada manufacturing illicit drugs such as fentanyl has nearly doubled in the past year, from fifty-one in 2023 to ninety-nine in 2024, with those groups increasingly looking to export their wares, according to a report published this week by the Criminal Intelligence Service Canada.

Prior to 2020, drug traffickers typically imported fentanyl from China to North America, according to a separate report from Canada’s financial intelligence unit. In recent years, however, they have been bringing in more and more chemicals and lab equipment from China to produce fentanyl in Canada, the United States and Mexico, Thursday’s report from the Financial Transactions and Reports Analysis Centre said.

The reports were published as U.S. President Donald Trump threatens to impose sweeping tariffs on Canadian and Mexican goods in a bid to stop what he describes as a “massive” quantity of fentanyl entering the United States from Canada and Mexico, resulting in overdose deaths.

The trafficking of fentanyl is killing an estimated 80,000 people a year in North America, according to the Financial Action Task Force, an intergovernmental body that sets standards to combat money laundering and terrorist financing.

The intelligence agencies did not specify which international markets the Canadian fentanyl producers were targeting. However, the report from the Criminal Intelligence Service Canada noted that while the vast majority of organized crime groups exist to import and traffic drugs within Canada, since 2021 there has been a steady increase in the number of crime gangs expanding their operations internationally, with thirty-five of them exporting drugs abroad last year. Gangs primarily based in Ontario, British Columbia and Quebec are forging alliances with powerful Latin American drug cartels for manufacturing and trafficking, the report stated.

Canada should be considered a source country for fentanyl and other drug shipments moving internationally by “air, marine, land routes,” according to CISC’s assessment. This suggests some of drugs are destined for the United States, given that Canada only shares a land border with that one country. FinTRAC arrived at its conclusions by analyzing 5,000 suspicious financial transactions that occurred between 2020 and 2023, data from other financial intelligence units and information provided by law enforcement. The agency identified a number of domestic distribution networks,

originating from production facilities in the Lower Mainland in B.C. and the Greater Toronto Area.

October 2024 (as previously mentioned), the RCMP announced they had dismantled a Falkland, B.C. facility that they claimed was “the largest and most sophisticated fentanyl and methamphetamine drug super lab in Canada.” The anti-money-laundering watchdog’s report noted that in B.C., drugs typically move inland from distribution hubs in Vancouver, while opioids produced in the GTA flow to areas such as London, Ont., and Hamilton before being transported to Thunder Bay and Winnipeg. The report also found that fentanyl from Mexico is entering Canada, sometimes having been smuggled alongside cocaine and methamphetamine on commercial motor vehicles, which would have had to pass through the U.S.

Seizure statistics recently published by The Globe and Mail show that hundreds of times as much fentanyl is intercepted at America’s border with Mexico than at its border with Canada. FinTRAC has been working with its counterparts in the U.S. and Mexico to target the financial component of fentanyl trafficking. The watchdog is also part of a public-private partnership called Project Guardian, which aims to help Canadian companies detect the laundering of proceeds from synthetic opioid trafficking. The partnership is led by the Canadian Imperial Bank of Commerce and includes the RCMP, Canada Border Services Agency, Canada Post, and the U.S. Department of Homeland Security.

In 2023-24, FinTRAC’s disclosures to law enforcement supported more than 50 investigations, and in August 2023, the Alberta Law Enforcement Response Teams acknowledged the watchdog’s contributions to the arrest of seven people in relation to a multimillion-dollar drug-trafficking operation. More than \$4.5 million of drugs, including fentanyl, and nearly one million in cash were seized as a result of that operation, dubbed Project Carlos.

“We have shown with Project Guardian that, by following the money and leveraging the power of financial intelligence, we can effectively target, disrupt and dismantle the organized criminal networks that profit from this insidious illicit activity and threaten the safety and security of Canadians and North Americans,” FinTRAC’s director and chief executive officer Sarah Paquet said in a statement. The CISC describes itself as the intelligence arm of the Canadian law enforcement community. The group exists under the stewardship of the RCMP but draws information from hundreds of law enforcement partner agencies across Canada to share and develop intelligence on crime priorities for police.

Ken Lamontagne, the CISC’s acting director-general, says in the new report that police and the public must understand that the threat of organized crime is increasingly transnational in scope, even as its presence is felt on a local level. “Serious and organized crime remains a pre-eminent threat to Canada’s security, contributing to thousands of deaths annually from overdoses due to illicit drugs, as well as firearms and gang violence,” Mr. Lamontagne wrote.

Gary J. Hale, who served thirty-one years in the Drug Enforcement Administration (DEA), retiring as an executive-level intelligence analyst. In 2010, he was appointed as Drug Policy fellow and Mexico Studies Scholar at the James A. Baker III Institute for Public Policy at Rice University in Houston, Texas. He published this piece (November 2024) through the Macdonald-Laurier Institute that told it like it was (is) ... on October 31, residents of Falkland, BC, were readying their children for a night of Halloween fun. Little did they know that their “quaint, quiet, and low-key little village” was about to make national headlines for all the wrong reasons.

On that day, RCMP announced that it had raided a fentanyl “super lab” of scary proportions near Falkland – one that police called the “largest and most sophisticated” drug operation in Canada. Officers seized nearly half-a-billion-dollars’ worth of illicit materials, including fifty-four kilograms of finished fentanyl, 390 kilograms of

methamphetamine, thirty-five kilograms of cocaine, fifteen kilograms of MDMA, and six kilograms of cannabis” as well as AR-15-style guns, silencers, small explosive devices, body armour, and vast amounts of ammunition.

They also found massive quantities of “precursor chemicals” used to make the drugs. This strongly suggests that the super lab was tied into a transnational criminal network that spans from Mexico to China – one that uses North America’s transportation supply chains to spread its poisonous cargo across Canada and the United States.

The Canada-US-Mexico relationship is comprised of many interests, but the economic benefits of trade between the nations is one of the driving forces that keep these neighbours profitably engaged. The CUSMA trade agreement is the successor to NAFTA and is the strongest example globally of a successful economic co-operation treaty. It benefits all three signatories. This level of interdependence under CUSMA requires all parties to recognize their respective vulnerabilities and attempt to mitigate any threats, risks, or dangers to trade and to the overall relationship. What happens to one affects all the others.

The supply chain, and the transport infrastructure that supports it, affects the balance books of all three. While the supply chain is robust and currently experiences only occasional delays, the different types of transport that make up the supply chain – such as trucks, trains, and sea-going vessels – are extremely vulnerable to disruption or stoppages because of the unchecked violence and crime attributed to the activities of Mexican Transnational Criminal Organizations (TCOs). These cartels operate throughout Mexico, from the Pacific ports to the northern plains at the US-Mexico border.

The sophistication of the Falkland super lab strongly suggests connectivity to multi-national production, transportation, and distribution networks that likely include China (supply of raw products) and Mexico (clandestine laboratory expertise).

For most Canadians, Mexican cartels call to mind the stereotypical villains of TV and movie police dramas. But their power and influence are very real – as is the threat they pose to all three CUSMA nations. Mexican cartels started as drug trafficking organizations (DTOs) in the 1960s. By the late 1990s they had evolved to become transnational enterprises as they expanded their business beyond locally produced drugs (originally marijuana and heroin) to include primarily Colombian cocaine that they transported through Mexico en route to the US and Canada.

Marijuana and the opium poppy are cultivated in Mexico and, in the case of weed, taken to market in raw form. While the cartels required some chemicals sourced from outside Mexico to extract opium from the poppy and convert it into heroin, the large-scale, multi-ton production of synthetic drugs like Methamphetamine and today Fentanyl expanded the demand for sources of precursor chemicals (where the chemical is slightly altered at the molecular level to become the drug) and essential chemicals (chemicals used to extract, process, or clean the drugs.)

The need to acquire cocaine and chemicals internationalized the cartels. Mexican TCO's now operate on every continent. That presence involves all the critical stages of the criminal business cycle: production, transportation, distribution, and re-capitalization. Some of the money from drug proceeds flow south from Canada and the US back to Mexico to be retained as profits, while other funds are used to keep the enterprise well-funded and operational.

In Mexico, the scope of their activities is economy-wide; they now operate many lines of criminal business. Some directly affect Mexico's economic security, such as petroleum theft, intellectual property theft (mainly pirated DVDs and CDs), adulterating drinking alcohol, and exploiting public utilities. Others are in "traditional" criminal markets, such as prostitution, extortion, kidnapping, weapons smuggling, migrant smuggling, and human trafficking. Organized auto theft has also become another revenue stream.

The Cartel de Sinaloa (CDS or Sinaloa Cartel) and the Cartel Jalisco Nueva Generacion (CJNG) are the two principal TCO's vying for territorial control of Mexico's air, land, and maritime ports, as well as illegal crossing points. These points on the cartel map are known as "plazas," and are often between formal ports of entry into the US. By controlling territories crucial for the inbound and outbound movement of drugs, precursors, people, and illegal proceeds, the cartels secretly transport illicit goods and people through commercial supply chains, thus subjecting the transportation segment of legitimate North American trade to the most risk.

That is giving the cartels the power to impair – and even control – the movement of Mexico's legitimate trade. While largely kept out of the public domain, incidents of forced payment of criminal taxation fees, called "cuotas," and other similar threats to international business operations are already occurring. For instance, cuotas are being imposed on the transnational business of exporting used cars from the US to Mexico. They're also being forced on Mexican avocado and lime exporters before the cartels will allow their products to cross the border to the US and international markets. This has crippled that particular trade. Unfortunately, the Mexican government has been slow to react, and the extortion persists throughout Mexico. It is worth repeating – these entirely legitimate goods reach the market only after cartel conditions are met and bribes paid.

The free trade and soft border policies of the US (Biden administration) of recent years have allowed cartel operatives to enter that country and work the drug trade with limited consequence. In May, the U.S. Drug Enforcement Administration (DEA) published the National Drug Threat Assessment 2024, where it reported that the Jalisco and Sinaloa cartels operate in all fifty US states and are engaged in armed violence in American cities as they fight for market shares of the sales of Methamphetamine, Fentanyl, and other drugs sourced from Mexico.

The DEA's findings should sound alarms in Canada. Canada and the US have similar trade and immigration policies, which allow the Mexican cartels to easily enter and control the wholesale component of the drug trade. The long-term effects of the drug trade are the billions of dollars gained that allow for the corruption of government officials. Canada should be on guard: Mexican drug cartels in Canada could begin to not only kill ordinary Canadians by knowingly selling them deadly drugs like Fentanyl – their operatives can also embed themselves in Canadian society, as they have in the US, leading to ordinary citizens on Canadian streets being victimized by the armed violence cartels regularly use to assert their position and power.

Canada faces these threats directly, but the indirect ones that the cartels present to Mexican governance are no less consequential to Canada in the long term – and likely sooner. Illicit agreements between corrupt Mexican government officials and the cartels assure that the crime organizations retain control of territory and have freedom to operate.

That threat is becoming increasingly existential. Cartel fighters are well disciplined, well equipped, and strong enough to challenge Mexico's military, currently the government's main tool to fight them. Should the TCOs come to dominate Mexican society or gain decisive influence over government policy, Mexico's government risks being declared a narco-democracy and the US may come to see the cartels as a threat to national security. That in turn could lead to a US military intervention in Mexico – not an outcome desired by either side.

While that scenario may be considered extreme, it is not as far from reality as many may think while in many respects the US-Mexico trading relationship remains unchanged, the overall political context has become testy – and could be a real flashpoint for the new Trump administration.

Political developments in Mexico have played a role. After his election in 2018, former Mexican President Andrés Manuel López Obrador (commonly referred to his

initials, AMLO) demonstrated a disdain for all things North American. This included frequent complaints of US interference or violation of Mexican sovereignty – complaints that were more about keeping Mexican government domestic actions out of the public eye. To retain a shroud of secrecy over government corruption, Mexico under Amlo started in 2022 to limit the activities and numbers of US federal law enforcement agencies operating there, particularly the FBI, DEA, ATF, and ICE. These agencies formerly enjoyed a close relationship with the Mexican Federal Police – a force AMLO disbanded and replaced with the National Guard. The AMLO administration reduced the number of US assets and agents in Mexico, particularly singling out the DEA for the most punitive restrictions.

During his administration, AMLO placed the army and navy in charge of all ports of entry and gave them responsibility for all domestic public safety and security by subordinating the Guardia Nacional (GN), or National Guard, to the army. The GN, the only federal law enforcement agency, has been taken over by military officials who are sometimes corrupt and in league with the cartels. Mexican President Claudia Sheinbaum, who took office in 2024, has continued AMLO’s organizational moves. Sheinbaum comes from the same political party and has so far extended carte blanche to the military, whose administration is opaque and now operates with impunity, under the guise of “national security” and “sovereignty” concerns.

It is expected that Sheinbaum will continue to shield American eyes from Mexico law enforcement and judicial affairs. The fear in the US law enforcement and national security community is that Sheinbaum may even declare DEA non grata, much as then Venezuelan President Hugo Chavez in 2005 and Bolivian President Evo Morales in 2008 did in their countries. Both were anti-American leftists of the same mindset as AMLO and Sheinbaum, who feared detection of their connections to the illegal drug trade.

Sheinbaum has publicly demonstrated disinterest in the consistent application of the rule of law against the TCOs by stating that she will continue the “hugs not bullets”

("abrazos, no balazos") non-confrontational, non-interventional posture towards organized crime. Agreements with corrupt government officials will allow the cartels to expand their business and to operate with impunity. Through intimidation, bribery, and murder, the cartels affect decision making at the municipal, state, and federal levels of Mexican government. That leverage, while performed outside the public eye, has the potential to negatively affect supply and demand among the three countries at the very least, and at worst, to signal that cartels in Mexico are directly or indirectly involved in the formulation of government security, immigration, drug, and trade policy.

AMLO enacted constitutional changes that will provide Sheinbaum with the powers of a dictator, giving her administration unchecked control of the executive, legislative, and judicial branches of government. As a result, the judiciary in Mexico is in crisis mode with eight of eleven Supreme Court Justices resigning in October 2024 to protest the unconstitutional disregard for due process that started with AMLO and continues with Sheinbaum thanks to a "voting for judges" law that she and AMLO have rammed into operation without debate. This development portends even more corruption.

Without the existence of an independent judicial system, these institutional changes could give pause to US and Canadian negotiators when it comes time to renew CUSMA in 2026. Most worrying, the cartels will be in a yet stronger position to affect and even dictate the pace and volume of legitimate trade between the US and Mexico under Sheinbaum. This makes Mexico the weakest link among the three CUSMA members.

The US and Canada should therefore be concerned about the strength and power of the cartels because the current trajectory could provide them a greater role in Mexico's performance as a trade partner. Should this trend continue, the US would likely begin to see Mexico through the lens of a threat to critical components of its national security: the public safety of US citizens being killed in epidemic proportions by

the drugs produced by citizens of Mexico; the negative impact or increased cost of commerce that supplies goods to the American market; and the CUSMA relationship that sustains the economic strength of all three participating countries.

This worrisome evolution requires proactivity by Canada and the US to insist that Sheinbaum reverse the gains that the cartels have made to influence policy and erode the government's monopoly on territorial control and the use of violence, and reverse Mexico's limits on drug enforcement co-operation with what should be its partners to the north. Pressure should also be applied to demand a return to a drug policy model that includes international law enforcement co-operation and a continuation towards the transformation of the Mexican judicial system from a mixed inquisitorial or accusatorial system to an adversarial system that employs the use of juries, witness testimony, oral hearings and trials, and cross-examination of witnesses, as opposed to a system where cartel-influenced elections could dictate judicial outcomes.

The implications of the further development of a Mexico narco-democracy for US-Mexico-Canada relations would be devastating. Co-operation on public safety and security would cease completely, allowing the cartels to take full control of commercial supply lines, significantly reducing trade between the three nations – likely causing the CUSMA trade deal to fracture until governance returned to duly elected civilian officials.

The continued success of CUSMA lies with Mexico more than any other country. Should Mexico continue on its path to autocracy, it could upset the trade deal, crucial to the prosperity of all three countries. Canada is not immune from what on the surface may appear to be mostly bilateral, US-Mexico issues, because, regardless of the commodity – whether it's consumables or manufactured items – the cartels are positioned and empowered to affect imports, exports, trade, and migration throughout North America. For the near future, Mexico is not going to voluntarily change its security posture. This enables the cartels to remain persistent threats, especially to trade. Canada and the US need to continue to jointly insist that Mexico take a stronger stance

against organized crime and that it takes steps to strengthen the judiciary and the rule of law in that country.

To wrap this chapter up - a story in late January 2025 by Jordan Omstead (also published in Canada's Globe & Mail newspaper) concluded that a large cocaine bust was the work of the Mexican cartel. The drugs seized in the largest cocaine bust in Toronto police history have the "hallmarks" of a notorious Mexican cartel, officials said Tuesday, expressing hope that their investigation dealt a blow to its local operations.

Police announced the 835-kilogram seizure at their headquarters, from a podium crowded out by bags and boxes they suggested were filled with cocaine. Chief Myron Demkiw said the cocaine had the "hallmarks" of the Jalisco New Generation Cartel, considered one of the world's most violent and prolific drug trafficking operations. "These drugs travelled all the way from Mexico, over the United States' southern border, then made their way here to Canada, where we stopped and seized them," he said at Tuesday's news conference.

Police said the investigation dates back to August 2024 when they learned of a plan to use a shipping company to move drugs across the border. More than half of the seized cocaine, 475 kilograms, came from a single tractor trailer from Mexico stopped on the Canadian side of the border with the United States, police said. The rest was seized in searches of alleged stash houses around the same time, said Supt. Paul MacIntyre. "Hopefully, we really did some damage to them with this. Certainly, they will continue, but this will hurt them. This will sting a bit," he said. Police allege the six people arrested, including two from Mexico and four Canadians, are "high-level" drug distributors. Investigators continue to search for one man from Niagara Falls, and two others from Mexico who are believed to have fled Canada.

The drug bust announcement came as U.S. President Donald Trump had threatened to impose tariffs on Canadian goods (early in 2025), citing in part the flow of drugs across the border. Demkiw suggested the "vast majority" of guns used in Toronto

crimes were smuggled from the United States. He said police were “laser focused” on cracking down on the flow of illicit products across the border.

At the same time as the cartel was moving into Canada, members of a powerful Mexican cartel pulled out their Jesse James dime western novels and did as James and his gang did – rob a train in Arizona full of Nike shoes. Fox news ran with story in early 2025... the Sinaloa Cartel raked in hundreds of thousands of dollars stealing Nike shoes from a moving BNSF train in their latest railroad heist between California and Arizona, a pattern that has been on the rise, according to law enforcement.

Eleven members of the Mexican transnational criminal organization are in federal custody after stealing the merchandise from a train car traveling north of Phoenix with cut air brakes in January 2025, Homeland Security Investigations (HSI) said in documents filed in the U.S. District Court in Arizona. BNSF employees notified police after spotting a severed air hose on a cargo train near Perrin, Arizona. Railroad police noticed a box truck parked a few miles away and, later, several crates positioned near the tracks.

Police said they stopped a Toyota Camry leaving the area of a Ford Econoline box truck and identified its occupants as Jaime Cota Peraza and Sadiel Martinez Soto. While the suspects were distracted, other authorities placed tracking devices into the waiting crates. After authorities reportedly watched several people load the crates into the box truck, Arizona Department of Public Safety troopers tracked them to Kingman, Arizona, where they chased two men who they said were Erik Portillo Valdez and Noe Cecena Castro over some trees and a barbed wire fence.

The tracking devices led them to a Chevy Tahoe pulling the crates. Inside, authorities found one-hundred and fifty cases of Nike merchandise worth \$202,500. Peraza, Soto, Valdez, Castro and seven other individuals were charged with felony possession or receipt of goods stolen from an interstate shipment. Nine of those suspects were in the United States illegally and six said they are Sinaloa natives.

Over the past two years, similar thefts have been on the rise, HSI said. "Once the organization targets a train of interest, they find a location for several burglars to get on the train," the agency wrote in court documents. "The burglars open container doors while the train is moving and target merchandise such as electronics, tools and footwear." Cartel members look for cars with security locks and use metal-cutting saws, bolt cutters and other tools to steal the contents. In other instances, associates sabotage the trains' signal systems by cutting locks on signal boxes and tampering with their wiring.

Once the train has stopped, they use their phones to share their location with other cartel members who are driving box trucks or small trailers on nearby roads to pick up the stolen goods. "The suspects often cut the train braking system air hose, which causes the train to go into emergency stop," HSI said in the court documents. "This act is very dangerous and can cause a train to derail, which could cause serious injury or death to railroad company employees or citizens."

"This also is a dangerous act that creates 'dark areas' on the rail network. Trains travel at speeds of up to seventy miles per hour on multiple tracks east and west. Dispatchers and train crews rely on the signals for safe transportation," the agency continued. Typically, the agency said, the cartel sells its spoils on Amazon, eBay, or other digital platforms or to amenable California retailers.

Chris Swecker, the former assistant director of the FBI, told Fox News Digital that cartels have been robbing trains for at least a decade. "When I was an assistant director, we were dealing with this at that time. If you look back, there was an epidemic for a while, then law enforcement got a handle on it," Swecker said. "What's even more interesting is that when they do it, it's almost like a retail theft where there's no intervention during the time when it happens. Nobody comes in guns blazing trying to stop the theft."

Michael Ricks, the metro Atlanta region director for the Georgia Gang Investigators Association, said train thefts are "a very lucrative activity for organized crime groups and cartels." "They can get hundreds of thousands if not over \$1 million worth of merchandise to sell and launder through ... one, two container hits," he said. "So, this is actually relatively common activity for transnational criminal organizations and cartels."

The articles quoted in this chapter confirm that Mexico is not just a problem for the United States - but for Canada also - there can no longer be any doubt about it.

Sources for this chapter include P. Edwards (Star), A. Posadzki and C. Freeze (Globe & Mail), 7 MLI 7 & C. Coulter

Chapter Fourteen

Mexico Also Has its Enemies Below

In recent years Mexico has increasingly become a country of origin, transit and destination for migrants and refugees. Between January and August 2024, the Mexican authorities reported more than 900,000 instances of people in an irregular migration situation in Mexico, meaning they entered the country without a visa or other document authorising their entry or stay.

Mexico has long been a refuge of both origin and transit for dislocated people, meaning that people are either looking to leave the country or are passing through on the way to somewhere else (typically the United States). But in recent years, it has also become a country of destination for people in need of international protection. In 2023, 140,000 people applied for asylum in Mexico. In the first five months of the year 2024, CBP agents encountered more than nine hundred thousand migrants and asylum seekers at the U.S.-Mexico border. The majority hailed from just six countries: Mexico, Guatemala, Venezuela, Cuba, Ecuador, and Colombia, in descending order.

Although the number of applications decreased in 2024, the presence of displaced people in the country remains significant. UPMRIP figures from January to August 2024 show a one-hundred and thirty-two per cent increase in instances of people in an irregular migration situation compared to the same period in 2023. More than half of the people in transit through Mexico identify violence as the main reason for their displacement. Almost two thirds say their life, safety or freedom would be at risk if they returned to their country of origin, according to the UN Refugee Agency's 2023 protection monitoring. People seeking refuge in Mexico flee their countries due to complex situations, such as threats from gangs or organised crime, human rights

violations, gender-based violence or extreme poverty. Many see Mexico as a place where they can rebuild their life and realise their dreams.

“I left Venezuela because they were extorting me and threatening to harm my daughter,” explains Flor, an asylum seeker in Coatzacoalcos, southern Mexico. “I went through the [Darién] jungle, I came out of the jungle sick. I saw many deaths, rapes, and kidnappings. I saw a woman who was raped in front of her husband. I want to get to Mexico City; I don't want to go to the United States anymore. I can't go back to my country because those who threatened me will find me.”

Many of the people in transit and the refugees in Mexico are Venezuelan. In the first quarter of 2024, one in four were Venezuelan nationals, while thirty per cent were citizens of Honduras, Guatemala or Ecuador, according to the International Organization for Migration (IOM). Although most of the arrivals are from Latin American countries, including Colombia, El Salvador, Nicaragua, Cuba, and Haiti as well as Venezuela, there are also people from as far afield as Afghanistan, China, India, Angola, Ghana and more than one-hundred other countries. Mexico is a meeting point for displaced people from all over the world.

So much so that the high demand for refugee applications has put the Mexican Commission for Refugee Assistance (COMAR) to the test. COMAR has quadrupled its processing capacity since 2018, from four to thirteen offices across the country, while also introducing measures to integrate refugees within host communities. Still, it faces financial and operational challenges in providing a comprehensive response.

“We can't go back to Honduras. There are threats, extortion, robbery. They threatened me and killed my son. Since then, we have not lived in peace. The original goal was to go to the United States, but I am now seeking asylum in Mexico,” says Raúl, fifty years of age, an asylum seeker in Coatzacoalcos. Of the people from all over the world who enter Mexico irregularly, some stay in the country, but many others hope to continue the United States.

In January 2023, the United States launched the CBP One app as a requirement for regular entry from Mexican territory. Once in the US, if allowed entry, individuals can apply for asylum via the app. To obtain an appointment, they must wait in Mexico, in some cases for more than seven months, often in the Capital.

As a result, thousands of refugees and migrants waiting to enter the United States on a regular basis are homeless, in overcrowded shelters run by organisations and churches, or in makeshift camps. This increases their vulnerability, especially for women, pregnant women, and children. There is no official record of how many people are in this situation but, for example, the former church of La Soledad in the heart of Mexico City feeds an average of eight hundred people daily who wait in a makeshift camp in the square across the street. The church, which helps refugees and migrants through donations and volunteering, also provides shower facilities.

For these children, women and men, the church is their only support. At night, they sleep in the open, protected only by tents they have erected themselves. They have no access to even the most basic services and are exposed to all kinds of dangers. During the day, some go out to work looking to earn what they can to sustain themselves and their families.

Why are migrants coming to Mexico from these five countries? In Guatemala for example, extortion by gangs, poverty, and the effects of worsening climate change on farmers are all driving displacement and fueling migration. Most Guatemalan migrants come from the departments of Guatemala, San Marcos, and Quiché. The department of Guatemala, which includes the capital, has the fourth-highest homicide rate in the country and is an extortion hot spot. San Marcos and Quiché face widespread poverty and struggle to attract commercial activity and investment.

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Since 2014, nearly eight million Venezuelans have left their homes, fleeing an economic crisis and authoritarian repression under President Nicolás Maduro. Of all Venezuelan migrants surveyed in a 2022 poll by Centro de Investigaciones Populares, seventy-two per cent said economic problems, including hyperinflation, poverty, and food insecurity, pushed them to migrate. Violence and abuse by security forces have also forced Venezuelans to flee. The country remains one of the most violent in the region, despite the homicide rate dropping last year. In the first four months of 2024, tens of thousands of Venezuelans left the country, accounting for sixty-four percent of all migrants who have so far crossed Panama's Darién Gap. The exodus of Venezuelans will likely accelerate if Maduro secures another six-term year in elections scheduled for July 28 (2025), which almost certainly won't be free or fair.

Cubans are also fleeing a broken economy and authoritarian repression. Last year, Cuba's economy shrunk by two percent, leaving it as much as ten percent smaller than in 2019, and in its worst state in more than three decades. The island's inflation rate is one of the highest in the region and wages have stagnated, while food and fuel prices have shot up in recent years. Shortages of food and medicine have placed added pressure on Cubans to leave. Today, Cubans are opting to head to the southern U.S. border via overland routes because of slow processing times for U.S. humanitarian parole programs and the availability of flights to Nicaragua. Since the Nicaraguan government lifted visa requirements for Cubans in 2021, Cubans

have taken as many as fifty flights per month to the Central American country to begin their journey north.

Since 2021, hundreds of thousands of Ecuadorians have fled a surge in drug- and gang-related violence and extortion. Last year, Ecuador had the highest homicide rate in Latin America, with 44.5 homicides per 100,000 people, after previously ranking among the region's most peaceful countries. The ongoing security crisis has prompted President Daniel Noboa to declare a state of "internal armed conflict," mobilize the military against gangs, and arrest more than sixteen thousand people since January. But these policies have not pacified the country. While the national homicide rate has dropped slightly in the first five months of 2024, nine of Ecuador's twenty-four provinces have seen murders increase compared to last year, and extortions and kidnappings are also on the rise, according to figures from the National Police. Corruption, which has enabled the rise of gangs, has also sapped Ecuadorians' confidence in the state to protect them. The United States has agreed to provide more than one-hundred million dollars in logistical and material support to Ecuador's security forces to fight gangs and cartels, but progress is likely to be slow if it happens at all. Ecuador has become a strategic transit point for cocaine in South America, and its heavily armed and well-financed gangs will not easily give up control.

Persistent violence and insecurity stemming from the country's ongoing internal armed conflict, combined with slow economic growth, are driving tens of thousands of Colombians to migrate, and seek asylum in the United States. Colombians also cite the search for better economic opportunities in their decision to leave. Policies that make it easier for Colombians to travel north may also be contributing to the consistently high numbers. Unlike other nationalities discussed here, Colombians can travel to Mexico visa-free. If they have the money to fly, they can skip the dangerous Darién Gap crossing between Colombia and Panama,

although close to twenty thousand Colombians [PDF] still took that route in 2023, according to data from the Panamanian government).

Other southern countries that have become Mexico's enemy include, Nicaragua, Guatemala, Honduras, Peru, Haiti, and El Salvador. All the countries mentioned in this chapter have caused the republic of Mexico to basically collapse inward. Way too many immigrants crashing Mexico's border in order to get to the United States have destroyed the state and there seems to be no answer on how to save the nation from economic ruin due to outlaw gangs and corrupt officials.

Sources for this chapter include M. Molina (NRC), W. Freeman, S. Holmes, S. Baumgartner (Council Foreign Relations)

Chapter Fifteen

The Ugly American

Mercantilism is a nationalist economic policy that is designed to maximize the exports and minimize the imports of an economy. In other words, it seeks to maximize the accumulation of resources within the country and use those resources for one-sided trade. The concept aims to reduce a possible current account deficit or reach a current account surplus, and it includes measures aimed at accumulating monetary reserves by a positive balance of trade, especially of finished goods. Historically, such policies may have contributed to war and motivated colonial expansion.

The prestigious Wall Street Journal ran with this headline – “The Dumbest Trade War in History” and this opinion article by political pundit Warren Kinsella appeared in the Toronto Star newspaper immediately after President Donald Trumps declaration of War on Canada (okay, a trade war) that was then put on hold for thirty days ...this much we know: Canadians, who apologize when someone else steps on their foot, are very, very angry. When we boo the American anthem at NBA and NHL games – instead of helping out with the singing, in those occasional microphone-failure moments – well, that’s Canadian-style angry. Second World War take-no-German prisoners angry. And Trump? “Anger” doesn’t quite capture it. Free advice from a former adviser to a Prime Minister, Secret Service: don’t bring him to the G7 at Kananaskis in June. Just don’t. You’ll be contending with a lot more than the grizzly bear threat. Believe it.

The stuff I’ve heard from otherwise mild-mannered Canadians about what they’d like to see done to Trump. Stay away, Yanks. It actually isn’t safe. Meanwhile, Canadians are feeling angry and betrayed by Americans themselves, too – and not just the death-cult MAGA Republicans. When even arch-Leftist Senator Bernie Sanders is saying he

favours an American takeover of Canada, you know we don't have friends down there anymore. Even the Canadian comedians we mail South by the truckload are silent when their homeland is under attack.

So, we will never fully trust them again. As one pal said to me this weekend: this isn't a friendship anymore. It's an abusive relationship. "And we'd be crazy to go crawling back to our abuser," said he. Besides: Trump is a lunatic, and it's foolhardy to believe he's now going to abruptly change course. He's a kamikaze pilot, flying all of us into the side of a cliff. The guy whose businesses have gone bankrupt six times, controlling the world economy: that's a story that was never going to have a happy conclusion. So, again, what do we do? Well, plenty. All of us can do something.

Justin Trudeau's February 2025 speech was excellent – his finest moment, coming as it did in his last few days as Prime Minister. Pierre Poilievre's plan for fighting back is exactly what we need to do as a country – every word. And Doug Ford's moves – particularly his Monday cancellation of a one-hundred-million-dollar contract with fascist-saluting Elon Musk's Starlink – are going to be remembered by the Americans for a long time.

Elsewhere, a people-led Buy Canadian campaign is underway, from coast to coast. It'll have an impact. So, too, the many Canadians who have cancelled travel to the Unhinged States, and who now plan to spend elsewhere. People power works, even with a United States that is becoming less like a democracy every day. If you are in favour of a segmented approach, like BC Premier David Eby, Starbucks overwhelmingly supports the Democrats and gives less to the Republicans than any other national food/beverage chain. Only Chipotle gives more to the Democrats.

Make Trump hurt, make him bleed, with the only thing he understands or appreciates - money. Going after Trump, the politician, is fun but won't move the needle. Going after Trump's decisions – particularly the economic ones – will move the needle. That's how to defeat him. Nationally, provincially, and municipally, we need to

do what Trump could never do: get people together. We need to assemble every living Canadian Prime Minister and Opposition leader to speak with one voice and rally the country.

And we don't need an election in the middle of this crisis, folks. Sorry. That'll just highlight our divisions to the Americans. If anything, we need the opposite: we need an all-party coalition government, ideally led by Poilievre, who has the best plan and a seat in the House of Commons. Because, really, none of our leaders disagree on the fundamentals about what needs to be done. That'll highlight unity. Do that instead. For your emotional well-being, don't occupy yourself with would-a, could-a should-a. It's a waste of brain matter. As our former Ambassador Derek Burney said, agreeing with my contention that Trump's fentanyl and border claims were fabrications, and flimsy pretexts to get him out of the trade deal he himself signed with us and Mexico: "It's bogus." Trump is a liar. Satisfy him on fentanyl or the border, and he'll just cook up some other excuse to hurt us.

All you need to know about how we got here is this: in the United States, fifty-four per cent of adults have a literacy below a sixth-grade level, twenty per cent are below fifth grade level, and twenty-one per cent are illiterate (source: the National Literacy Institute). Those Americans are the Trump base, and facts don't collaborate with them. Waste of breath. What works instead is blunt, brute force. Let's apply some and make it hurt.

Another quality article on tariffs and annexation by Murray Brewster stated ...the first shots of the trade war between the United States and Canada have been fired. Whether it escalates beyond the planned twenty-five per cent tariff into a wider economic war depends upon how genuinely serious President Donald Trump is about annexation, experts say. Tariffs are one thing - while painful and destructive, experts agree duties alone would not crush the Canadian economy, nor the political establishment, into submission. Prior to his inauguration, Trump threatened to use

"economic force" to compel Canada to become the 51st state in the union. That would require a whole different level of coercion than what was unleashed Saturday — the kind usually reserved for America's enemies, as opposed to allies.

What does a full-blown economic war look like? Think sanctions, import, and export restrictions, trade embargoes, theft of intellectual property. While dismissing the impact of tariffs on American consumers, Trump made clear recently that he believes the U.S. can do without Canadian goods, including cars and milk. He said if "you get rid of that artificially drawn line," referring to the border, it would "also be much better for [U.S.] national security." It is the kind of shocking rhetoric that chills national security experts and historians to the bone, especially the ones steeped in the long-held American belief of that nation's exceptionalism — a concept known as Manifest Destiny.

In January 2025, the Centre for International Governance Innovation (CIGI) at the University of Waterloo launched the Canada at Economic War project, which aims to identify and assess the kinds of threats the country faces short of a shooting war. Raquel Garbers, a visiting fellow at CIGI from the Department of National Defence, said in general, economic attacks are the essential first phase of full-scale war between nations and Canada is a high-value target because of its mineral wealth, technological know-how and advanced economy. Most of the project's research has thus far focused on the often under-the-radar economic coercion China has directed toward Canada. But its findings could also serve as a warning bell for the kind of screws the Trump administration could tighten if it were going to try to absorb Canada.

Garbers said we need to pay attention and watch for signs of escalation. "There is no question that we're being bullied" by the United States, she said. "Is it economic warfare? My answer to that is: not yet. But that's not to say it can't get there." In contrast, Garbers said China's ability to carry out economic warfare is made possible in part by laws that force the entire society to effectively act as an arm of the Chinese

military and intelligence services. "I can't imagine that we would see that happening in the United States," she said.

The Trump administration, by its own admission, sees tariffs and a trade war as enriching the U.S. treasury and a possible way to fully restructure the tax system in that country. But Garbers said Canada finds itself in the crosshairs because of its current, relative economic, political, and social weaknesses. High taxation, lacklustre productivity, decline in affordability, the current transition in federal leadership and challenges integrating the flood of new immigrants have not gone unnoticed in Washington. "Trump, like all bullies, can smell weakness. And the sad story is that we are weak, right?" Garbers said. But is there something deeper at work than the straightforward corporate-raider-on-steroids mentality that Trump embodies? On Friday, he told reporters that America's golden economic age encompassed the latter half of the 19th and the early 20th centuries, up to the First World War — a time when corporate monopolies held sway, and the income inequality gap was wide.

In his recent inauguration speech, Trump invoked Manifest Destiny to outline his vision for America's expansionist aims — a future that included integrating Canada, acquiring Greenland, and reclaiming the Panama Canal. The concept — that the United States is exceptional, and God wanted the boundary of its dominion expanded — has been around in one form or another since the Revolutionary War, said Kevin Brushett, a professor of history at the Royal Military College of Canada. The common language (for the most part), the cross-border family ties, the shared history and in some cases similar values create a blind spot for Americans, something Brushett believes Canadians don't fully appreciate.

"I'd say Americans kind of see the annexation of Canada as almost a natural kind of thing and something that doesn't necessarily need a war to occur," he said. Similarly, Brushett said Canadians don't appreciate the extent to which the threat of American annexation drove the politics and policy decisions in the mid and latter half of the 19th

century. The fear came in waves after the U.S. annexation of Texas in 1845 and then the 1848 Mexican American War. The end of the U.S. Civil War in 1865 reignited those fears. The following year, Irish rebels known as the Fenians actually invaded the self-governing Canadian colonies at two points.

At the same time, a bill to annex Canada was introduced in the U.S. Congress. Still reeling from the carnage of the Civil War with the American South in ruins, Brushett said there was no appetite to expand northward, and the bill died without ever coming to a vote. The die was cast, though, and Canadian political leaders opted for Confederation in 1867. In the aftermath of the political union, border fortifications — built by the British — were improved and a large militia was created. By 1870, the Canadian government had purchased Rupert's Land and the Northwest Territories from the Hudson's Bay Company, expanding the new country's borders west and pre-empting a U.S. claim to the region.

Manitoba was created in 1870, and British Columbia was added as a province in 1871. A decade later, the Canadian-Pacific Railway was built. All of it, in one way or another, was a response to the Manifest Destiny movement in the U.S., said Brushett. The reflex response of most Canadians to Trump's 51st state musings has been to dismiss them — or even laugh at them. "It's hard to get a sense of how serious Americans are about this, but I do think that there is an element here, that they think that Canadians are weak, that we won't necessarily fight back," he said.

Federal cabinet ministers have been hammering on doors in Washington trying to convince lawmakers of the cost of tariffs to the economies of both countries. Brushett said that narrative should be expanded to counter the annexation rhetoric, and the point should be made to lawmakers and the U.S. public that absorbing Canada is more trouble than it's worth. Integration would be a costly exercise for American taxpayers. "I think reminding them of those costs would be a good political strategy on our part," Brushett said.

What exactly is a trade war? According to James Chen of Investopedia, a trade war is an economic dispute between two countries. It can occur when one country retaliates against another's perceived unfair trading practices with restrictions, such as tariffs, on imports. Domestic trade unions or industry lobbyists can pressure politicians to make imported goods less attractive to consumers, pushing international policy toward a trade war.

Also, trade wars are often a result of a misunderstanding of the widespread benefits of free trade. Trade wars are usually considered a side effect of protectionism. Protectionism refers to government actions and policies that restrict international trade. A country will generally undertake protectionist actions to shield domestic businesses and jobs from foreign competition. Protectionism is also a method used to balance trade deficits. A trade deficit occurs when a country's imports exceed the amounts of its exports. A tariff is a tax or duty imposed on the goods imported into a nation.

In an era of global trade, a trade war can become very damaging to the consumers and businesses of both nations, and the contagion can grow to affect many aspects of both economies. A trade war that begins in one sector can grow to affect other sectors. Likewise, a trade war that begins between two countries can affect other countries not initially involved in the trade war.

A trade war is distinct from other actions taken to control imports and exports, such as sanctions. The trade war has detrimental effects on the trading relationship between two countries because its goals are related specifically to trade. Sanctions may have philanthropic goals. Other non-tariff protectionist policies can be implemented by placing a cap on import quotas, setting clear product standards, or implementing government subsidies for processes to deter outsourcing.

Trade wars are not an invention of modern society. Such battles have been going on for as long as nations have conducted trade with one another. For example, colonial

powers fought with each other over the right to trade exclusively with overseas colonies in the 17th century. The British Empire has a long history of such trade battles. One example is the opium wars of the 19th century with China. The British had been sending India-produced opium into China for years when the Chinese emperor decreed it to be illegal. Attempts to settle the conflict failed, and the emperor eventually sent troops to confiscate the drugs.

However, the might of the British navy prevailed, and China conceded to the entry of additional foreign trade into the nation. In 1930, the United States enacted the Smoot-Hawley Tariff Act, raising tariffs to protect American farmers from European agricultural products. This act increased already hefty import duties to almost forty per cent. In response, several nations retaliated against the U.S. by imposing their own higher tariffs, and global trade declined worldwide. As America entered the Great Depression, which was aided greatly by disastrous trade policies, President Roosevelt began to pass several acts to reduce trade barriers, including the Reciprocal Trade Agreements Act.

Beginning in January 2018, President Trump imposed a series of tariffs on everything from steel and aluminum to solar panels and washing machines. Some of the effects impacted goods from the European Union (EU) and Canada, as well as China and Mexico. Canada retaliated by imposing a series of temporary duties on American steel and other products similar to what is happening to the two countries in 2025. The EU also imposed tariffs on American agricultural imports and other products, including Harley Davidson motorcycles.

By May 2019, tariffs on Chinese imports impacted nearly two hundred billion dollars of imports. As with all trade wars, China retaliated and imposed stiff duties on American imports. A study by the International Monetary Fund (IMF) found that U.S. importers of goods primarily shouldered the cost of the tariffs on Chinese goods. These

costs were eventually passed on to the American consumer in the form of higher prices, which was not what the trade war was intended to accomplish.

The advantages and disadvantages of trade wars in particular, and protectionism in general, are the subject of fierce and ongoing debate. Proponents of protectionism argue that well-crafted policies provide competitive advantages. By blocking or discouraging imports, protective policies throw more business toward the domestic producers, which ultimately creates more American employment.

These policies can also serve to overcome a trade deficit. Additionally, proponents believe that painful tariffs and trade wars may be the only effective way to deal with a nation that continues unfair or unethical trading policies. Critics argue that protectionism often hurts the people it is intended to protect by choking off markets and slowing economic growth and cultural exchange. Consumers may begin to have less choice in the marketplace. They may even face shortages if there is no ready domestic substitute for the imported goods that tariffs have impacted or eliminated.

Having to pay more for raw materials hurts manufacturers' profit margins. As a result, trade wars can lead to price increases, with manufactured goods, in particular, becoming more expensive. This can then spark inflation in the local economy, overall. Like other trade policies, tariffs on trade have both winners and losers. Tariffs can generate billions of dollars of added revenue for a country. Domestic industries and manufacturers tend to benefit. Consumers and producers who use those products associated with tariffs have to pay higher prices, which can have an inflationary effect on the rest of the economy. As for retaliatory tariffs imposed by foreign countries on the U.S., they make exports more expensive to buyers in those countries but reduce U.S. GDP by a negligible amount.

Most economists agree that tariffs are bad for the economy, since they prevent countries from reaping the benefits of economic specialization. However, there may be additional benefits to protecting certain domestic industries, such as manufacturing or

defense. While it may be cheaper for a country to source arms on the world market, there are also strategic advantages to maintaining domestic production capacity, even if such products are available at lower prices elsewhere.

A trade war occurs when a government imposes punitive tariffs on another country, often in response to tariffs or protectionist trade policies raised by the other nation. Trade wars tend to be mutually damaging, as higher costs of trade ultimately are paid by consumers. However, advocates believe that trade wars can help protect local industries.

Sources for this chapter include the Toronto Star, Murray Brewster (CBC) and Investopedia

Chapter Sixteen

An Exceptional Violent Country

The United States is an exceptionally violent place—in homicide and gun crime rates, easy access to firearms, police violence and killings, criminal law doctrines (stand your ground), punishments imposed on people convicted of crimes, corporal punishment of children, and even highway safety.

Among Western countries, the United States is an exceptionally violent place or so said Michael Tonry in a University of Chicago Press Journal essay. Here (in an abbreviated form) is his take on things...serious intentional violence—homicides, other violent gun crimes, mass killings, and police killings of civilians—is dramatically more common. Many American laws—regarding self-defence retreat doctrines, stand-your-ground laws, permissive or minimal regulation of access to handguns and semiautomatic weapons, corporal punishment of children—are much more tolerant of behaviors that inherently present increased risks of violence and victimization. American laws governing sentencing are unique among those of Western countries in both the absolute severity of the punishments they prescribe and allow and the absence of viable legal mechanisms for challenging sentences on the basis that either their absolute severity violates minimum human rights standards or they are disproportionately severe in relation to the seriousness of the wrongdoing for which they are imposed (in either case, a form of unjustifiable state violence).

The United States in our time is exceptionally violent in many ways, some of which are little noticed. High rates of homicide and gun violence come immediately to most people's minds, but that is only the beginning. Only in the United States among Western countries are ordinary citizens routinely allowed to possess handguns and

semiautomatic firearms, weapons designed not for hunting animals but for killing or injuring other people, and to carry them in public. In no other Western country are police killings or mass shootings so common. In no other Western country are people commonly sentenced to decades-long prison sentences or for life, punishments that make it nearly impossible ever again to live a normal life. No other Western country retains capital punishment.

The proclivity for violence also takes more mundane forms. The United States is, for example, an outlier in allowing corporal punishment of children in homes and schools. Striking a child in either place is a criminal assault in most other Western countries. America stands out even in traffic fatalities. During 2020, the first pandemic year, auto accident deaths fell in nearly every developed country. In the United States, they rose, and they rose again in 2021 as drivers increased speeds on less crowded roads. Auto death rates have long been falling in Western countries, except for the United States, as countries more assiduously redesign roads and cars and reduce speed limits. A New York Times article about the traffic-related pedestrian or biking deaths of three State Department officials in a short period quoted Polly Trottenberg, deputy secretary at the US Department of Transportation: “We need to change the culture that accepts this level of death and injury. We’re horrified when State Department employees lose their lives overseas. We need to create that same sense of urgency when it comes to roadway deaths.”

Stop and think for a moment about America’s elevated traffic death rates. They have more in common with other forms of violence than may at first appear. They result from behaviors that foreseeably risk injury and death. Not unlike gun owners’ acceptance of high suicide and accidental death rates as unfortunate but justifiable costs of widespread gun ownership, deviant and reckless drivers must realize that high-speed, reckless, and drunken driving cause unnecessary injuries and deaths.

Elevated traffic death rates express a resentment of, and a cavalier willingness to ignore, behavioral and legal standards most people observe. They express senses of rugged individualism and personal autonomy not unlike those exhibited by people who resent all or most forms of gun regulation or support stand-your-ground laws. They express an egoistic libertarianism—I will do what I want to do, and the state has no right to interfere—not unlike that of many right-wing fringe groups. And they are distinctly American.

All those forms of violence involve unnecessary deaths, injuries, or suffering. Some—easy access to handguns and semiautomatic weapons, lengthy prison terms, corporal punishment of children, capital punishment, even traffic deaths—result in harms that could easily be reduced if different policy choices were made.

Four hypotheses emerge from America’s three centuries of westward expansion, the resulting succession of frontier societies, and a distinctively American set of values they shaped. Frederick Jackson Turner (1893), by far the twentieth century’s most influential American historian, famously proposed the “frontier thesis” that “winning” the West and “taming” the wilderness shaped distinctively American cultural and political values:

The frontier is the line of most rapid and effective Americanization. The wilderness master’s the colonist. It finds him a European in dress, industries, tools, modes of travel, and thought. It takes him from the railroad car and puts him in the birch canoe. It strips off the garments of civilization and arrays him in the hunting shirt and the moccasin. ... Before long he has gone to planting Indian corn and plowing with a sharp stick. In short, at the frontier the environment is at first too strong for the man. He must accept the conditions which it furnishes or perish. Little by little he transforms the wilderness; but the outcome is not the old Europe. ... The fact is, that here is a new product that is American. ...

American development has exhibited not merely advance along a single line, but a return to primitive conditions on a continually advancing frontier line, and a new development for that area. American social development has been continually beginning over again on the frontier. This perennial rebirth, this fluidity of American life, this expansion westward with its new opportunities, its continuous touch with the simplicity of primitive society, furnish the forces dominating American character.

Three centuries of mostly westward expansion, Turner said, shaped American political and cultural values by fostering rugged individualism, self-sufficiency, egalitarianism, localism, anti-intellectualism, nativism, xenophobia, and resentment of outside influence. Anyone paying attention will recognize those attitudes and beliefs—not all attractive ones—as common and enduring American characteristics, especially in those rural, economically marginal, socially isolated parts of the United States that most resemble the emerging frontier communities of earlier centuries. Econometricians Bazzi, Fiszbein, and Gebresilashe showed that areas of the country in which support for “frontier values” is strongest voted heavily in favor of Donald Trump.

The historical, symbolic, and popular culture salience of firearms in contemporary American politics and life give guns an importance far greater than in other Western countries and make it especially difficult to limit or regulate their use by law enforcement officers, “legitimate” gun owners, or others or to diminish the avoidable deaths and injuries they cause. American homicide rates are high and mass shooting numbers astronomical because handguns, unlike in other Western countries, are ubiquitous. Nearly four hundred million guns were in circulation in 2023, nearly two per adult resident. People without criminal records can buy them freely. People with criminal records can easily obtain them illegally. In 2020, there were 45,000-gun deaths; 20,000 from assaults and intentional killings, 24,000 from suicide, and the rest from accidents. In 2019, according to the Uniform Crime Reports, guns were used in seventy-

four per cent of American murders. In Western Europe, by contrast, less than 10 percent of much lower numbers of homicides involve firearms.

People who want to kill or seriously injure someone are much more likely to succeed with a gun. Franklin Zimring (1972) showed long ago in a landmark study that the likelihood of death resulting from an assault is probabilistically related to the kind of weapon, if any, that is used. High caliber guns are more effective killing instruments than low caliber ones, guns than knives, knives than clubs, and clubs than hands. Anthony Braga and Philip J. Cook in 2018 (nearly a half century later) found the same thing. Compared with incidents involving low caliber guns, medium caliber increased the likelihood of death by 2.25 times, and high caliber by 4.54 times. When powerful emotions, often aggravated by alcohol, other drugs, and histories of prior confrontations, are combined with guns, the likelihood of death or serious injury in domestic conflicts is much greater than when guns are not part of the story.

Self-defense doctrine in many American jurisdictions encourages violence. Defendants in every state and the federal government are entitled to be acquitted if it is shown, by applicable evidentiary standards, that they acted in self-defence. The requirements usually include an honest and reasonable belief in an imminent physical threat and use of force that is proportionate to its gravity. Fatal force may be used only in response to threats of death or serious bodily injury. In some circumstances, force may not be used if the defendant could safely have “retreated.”

Self-defense doctrine invites use of excessive force in two ways. First, in many US jurisdictions, there is no duty to retreat at home (or sometimes in other designated places such as business premises) even if it could be done safely (“Your home is your castle” doctrine). Defensive force, assuming it is proportionate, may be used even when it could easily and safely have been avoided.

Second, 38 states by 2021 had eliminated retreat doctrine altogether, replacing it with stand-your-ground laws. Proportionality requirements apply but are inherently

fuzzy for juries to sort out when assessing conflicting accounts of fast-moving emotion-laden events (how serious was the threat, how serious did the defendant believe it to be, was that belief reasonable, was the response proportionate, did the defendant believe it was?). The key issues are usually whether the defendant reasonably believe

The Second Amendment to the US Constitution provides: “A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms shall not be infringed.” For nearly two centuries, focusing on the first half of the amendment, few judges or scholars believed it created a constitutional right to private gun ownership. The United States before the Revolutionary War had no standing army, and states relied on citizen militias; their members were expected to provide their own weapons. Gun rights thus were generally understood to exist only in relation to participation in the state militias.

Police violence in the United States dwarfs that in other English-speaking countries and in Western Europe. The large numbers are influenced by widespread adoption of aggressive street stop policies and by police training in many jurisdictions that emphasizes the need for a “warrior mentality” in interactions with citizens, including in Minneapolis at the time of the George Floyd killing. In the six years from 2015 to 2020, American police killed 1,200 people each year, 1,000 by shooting them (1,096 in 2021, the highest number ever; Smith, Bosman, and Marcius 2023). Sixty percent of those killed were armed, 65 percent had attacked a police officer or someone else, and thirty percent were fleeing. These numbers should be taken with a grain of salt; they are based in large part on reports from police officers who have an interest in justifying their actions. A quarter of the people killed are Black, and seventeen per cent are Hispanic, but, Braga and Cook observe, “The overall problem is that police are killing so many people of all races and ethnicities. ... The population-adjusted rate of deadly shootings ... is off-the-charts high in comparison with Canada and the nations of Western Europe, which typically have only a handful of police killings each year.

The skeletal, fragmented, inadequately funded nature of America's social welfare systems is paralleled in the criminal justice system. Unlike in most other Western countries, where career civil service judges and prosecutors run the system, plea bargaining is rare, and judges determine guilt and make sentencing decisions, in the United States trials are rare, most cases are resolved by plea bargains, and prosecutors effectively make most sentencing decisions. The overriding difference is that the human dignity of the defendant or offender is at the center in Europe, which means that he or she is treated with respect, that procedures are fair, and that both adjudication of guilt and imposition of punishment are the responsibility of an independent professional judge (not, as in much of America, an assistant prosecuting attorney).

Inadequate funding, assembly line case processing, and woefully insufficient programming and treatment staff characterize both community corrections and local, state, and federal confinement in the United States. Large percentages of people convicted in criminal courts are drug dependent, have serious mental health problems, and exhibit major educational and vocational deficits. If policy makers viewed those fundamental needs of troubled people as being as important and urgent as comparable problems of themselves or their children, well-funded, well-run programs would everywhere exist to address them. They do not. For our children, there is empathy and a strong wish to help. For other people's children, indifference. Differences between most Western European countries and the United States in correctional settings are as stark as the differences between prosecution and court systems.

Only in the United States among Western countries are most trial judges and chief prosecutors selected in partisan local elections. In other Western countries, almost all judges and prosecutors are career civil servants committed to insulation of their work from influence by politicians, public opinion, and public emotion. The American difference exists because newly admitted frontier states in the nineteenth century invariably drafted constitutions providing for local elections. The logic: elections are

more democratic than appointments; elected local officials would be more likely to share or reflect important local values and beliefs; elected local officials in exercising discretionary authority would be likely to buffer local economies and interests against influence from outsiders generally, state legislatures, and creditors. Local elections were motivated by a general commitment not to the rule of law but to empowerment of local people to provide protection against outsiders, banks, and creditors generally, and state legislatures (often dominated by people especially sympathetic to creditors).

This article (above) paints the picture vividly and answers the question of why America (Mexico's violence was dealt with in a preceding chapter) is so violent and Canada isn't.

Sources for this chapter University of Chicago.

Chapter Seventeen

Benefits of a Unified North American Currency

Pegging the Canadian dollar to the U.S. dollar could be seen as a natural step in strengthening the economic ties between the two countries. Canada's economic policies would likely become more aligned with U.S. policies, which could enhance cooperation in various sectors, from trade to finance. Additionally, such a move could serve to deepen the existing North American economic bloc, increasing economic cooperation and reducing trade barriers.

The Canadian dollar (CAD) and the United States dollar (USD) are among the most traded currencies in the world with both currencies essential components of the global financial ecosystem. The idea of pegging the Canadian dollar to the U.S. dollar, essentially fixing the value of the CAD to a specific exchange rate with the USD, has been debated in economic and policy circles for many years. As part of this conversation, the question arises whether the Mexican peso (MXN) should be included in this currency peg as well, creating a more formalized trilateral economic bloc across North America.

The notion of currency pegs has historical precedence, with countries around the world, including the United States itself during the Gold Standard era, choosing to fix their currencies to another currency or asset (such as gold). While a currency peg offers both benefits and risks, the complexity of such a decision in today's economic climate is significant. This essay will explore the reasons why the Canadian dollar might be pegged to the U.S. dollar, the advantages, and disadvantages of such a move, and whether the inclusion of the Mexican peso would strengthen or destabilize the system.

A currency peg is a system in which a country's currency is tied or "pegged" to another currency, typically a major global currency like the U.S. dollar. This fixed

exchange rate system aims to stabilize the value of the domestic currency by maintaining a set exchange rate relative to the pegged currency. A country with a pegged currency must buy or sell its own currency in exchange for the foreign currency to maintain the peg.

The most famous historical example of a currency peg is the Bretton Woods system, which operated from 1944 until 1971. Under this system, currencies were pegged to the U.S. dollar, which was itself pegged to gold. This system collapsed when President Richard Nixon decided to suspend the convertibility of the dollar into gold, marking the end of the gold standard and the start of the modern floating exchange rate system.

Since the end of the Bretton Woods system, countries have had more flexibility with their currencies, with many adopting floating exchange rates where the value of the currency is determined by market forces. However, some countries—particularly smaller or emerging-market nations—continue to peg their currencies to major ones like the U.S. dollar to help stabilize their economies. For example, the Hong Kong dollar (HKD) is pegged to the U.S. dollar, and Saudi Arabia’s riyal (SAR) is also closely tied to the USD.

There are several reasons why Canada might consider pegging its dollar to the U.S. dollar, including economic integration, trade stability, and investor confidence. Canada’s economy is heavily integrated with the United States. The two countries share the world’s longest undefended border and have extensive trade relationships, with more than seventy per cent of Canada’s exports going to the U.S. Given this, a stable exchange rate between the Canadian and U.S. dollars could enhance trade, minimize exchange rate risk, and improve predictability for businesses and consumers. If the Canadian dollar were pegged to the U.S. dollar, companies could more easily plan and forecast their operations, as fluctuations in the exchange rate would be eliminated.

One of the primary benefits of a currency peg is the elimination of exchange rate risk. Businesses involved in cross-border trade with the U.S. often face significant risks due to fluctuations in the CAD/USD exchange rate. By pegging the Canadian dollar to the U.S. dollar, Canadian businesses would not have to worry about the impact of a depreciating or appreciating dollar, leading to more predictable costs, pricing, and revenue streams.

A currency peg can instill confidence in investors, as a fixed exchange rate implies that the country's currency is stable and will not experience large fluctuations. This stability could attract foreign investment into Canada, as investors are more likely to invest in a country with predictable economic conditions. Moreover, the U.S. dollar is the world's primary reserve currency, and aligning the Canadian dollar with it could potentially increase the demand for the CAD in global markets.

Pegging the Canadian dollar to the U.S. dollar could be seen as a natural step in strengthening the economic ties between the two countries. Canada's economic policies would likely become more aligned with U.S. policies, which could enhance cooperation in various sectors, from trade to finance. Additionally, such a move could serve to deepen the existing North American economic bloc, increasing economic cooperation and reducing trade barriers.

While there are potential benefits to pegging the Canadian dollar to the U.S. dollar, there are also significant challenges and risks associated with such a move.

One of the most significant drawbacks of pegging a currency is the loss of monetary policy independence. The Bank of Canada, which currently controls the country's monetary policy, would have its ability to set interest rates and implement policies to stabilize the Canadian economy limited by the need to maintain the currency peg. To preserve the value of the Canadian dollar against the U.S. dollar, the Bank of Canada would have to align its monetary policies with the U.S. Federal Reserve, limiting Canada's ability to tailor policies to its own economic conditions.

Pegging the Canadian dollar to the U.S. dollar also means that Canada would become more vulnerable to fluctuations in the U.S. economy. If the U.S. experiences a recession or economic instability, Canada could feel the effects more acutely, as the value of the CAD would be tied to the performance of the U.S. economy. In contrast, with a floating exchange rate, Canada could buffer against U.S. economic shocks by allowing the CAD to depreciate or appreciate according to the needs of the Canadian economy.

When a country pegs its currency to another, there is always a risk of speculative attacks on the currency. If investors believe that the peg is unsustainable or that the country's economy is weak, they may bet against the pegged currency, causing a currency crisis. This was the case in 1992 when the British pound was forced out of the European Exchange Rate Mechanism (ERM) after a speculative attack. Such a crisis could lead to a devaluation of the Canadian dollar and severe economic instability.

By pegging the Canadian dollar to the U.S. dollar, Canada could become overly dependent on the U.S. dollar and its policies. In the event of a crisis in the U.S. or a drastic shift in U.S. monetary policy, Canada might face economic challenges it cannot easily address without the flexibility to adjust its currency.

Should the Mexican Peso be Included in a North American Currency Peg? With the Canadian and U.S. economies being closely intertwined, the question arises whether it would be beneficial to include Mexico in a currency peg as well. The idea of including the Mexican peso in a trilateral currency system—sometimes referred to as a "North American currency union"—has been floated in academic and policy discussions, especially in the context of the North American Free Trade Agreement (NAFTA), now the United States-Mexico-Canada Agreement (USMCA).

Mexico is the second-largest trading partner of the United States, and its economic ties with both the U.S. and Canada have grown significantly in recent years. A currency peg that includes Mexico would foster deeper integration among the three

North American countries, potentially reducing currency volatility and fostering a more stable environment for trade and investment.

However, the Mexican peso is much more volatile than the Canadian dollar or the U.S. dollar. Including it in a currency peg could introduce significant risks. The Mexican economy is more vulnerable to external shocks, such as fluctuations in oil prices, trade disruptions, and domestic political instability. These factors could create problems for a trilateral currency peg, especially if the Mexican peso faces significant devaluation pressures.

The inclusion of the Mexican peso in a North American currency peg could also lead to political challenges. Mexico might be hesitant to give up control over its monetary policy and exchange rate, particularly given the country's unique economic and political circumstances. Mexico's monetary policy, managed by the Bank of Mexico, focuses on addressing inflation and ensuring economic stability. Joining a currency peg with the U.S. and Canada would mean that Mexico's monetary policy would need to be aligned with the other two countries, potentially limiting the country's ability to manage its own economic challenges.

Social and cultural considerations also play a role in determining whether a trilateral currency peg would be viable. The economies of Canada, the U.S., and Mexico are different in terms of income levels, labor markets, and social policies. A single currency or pegged system could lead to tensions in terms of economic disparity, with wealthier nations like the U.S. and Canada potentially benefiting more than Mexico.

The economic disparities between Canada, the U.S., and Mexico could cause issues with balancing the needs of different populations. For example, the higher levels of poverty and income inequality in Mexico could lead to social unrest if it is perceived that the currency peg is disproportionately benefiting the wealthier countries.

Despite these challenges, there are potential benefits to including the Mexican peso in a North American currency peg. A unified currency system would remove

currency risk in trade between all three countries, making cross-border transactions more predictable and less costly. Additionally, the creation of a trilateral currency bloc could further strengthen the economic ties between Canada, the U.S., and Mexico, creating a more cohesive and integrated North American economic region.

The proposal to peg the Canadian dollar to the U.S. dollar and potentially include the Mexican peso is a complex and multifaceted issue. While a currency peg could offer benefits such as enhanced economic stability, reduced exchange rate risks, and stronger trade relations, it also presents significant challenges. These include the loss of monetary policy independence, vulnerability to U.S. economic fluctuations, and potential exposure to speculative attacks.

Including the Mexican peso in the peg introduces additional complexities, given the economic disparities between the three countries and Mexico's greater reliance on oil exports and more volatile economic conditions. The decision to peg any currency—or to create a trilateral currency bloc—would require careful consideration of both economic and political factors.

In conclusion, while a pegged system could provide stability in trade and investment, it also requires a high degree of economic cooperation and political alignment. Whether the Canadian dollar should be pegged to the U.S. dollar—and whether the Mexican peso should be included—depends on a delicate balancing act of the economic, political, and social costs and benefits.

Source for this chapter is this books author

Epilogue

As one has read in the preceding chapters of this book, the political landscape of North America is marked by a complex relationship between its three core nations - Canada, the United States, and Mexico. A Republican President, Ronald Reagan had this to say regarding North American links, "Our peaceful trading partners are not our enemies; they are allies."

The United States, Canada and Mexico share a continent and have established strong economic and political ties over the past one hundred plus years, but recent developments in trade, crime, security, and immigration have created rifts that test the very foundation of this alliance. While all three nations maintain formal diplomatic relations, their interactions have become increasingly antagonistic, revealing the growing challenges each faces on both a domestic and international stage. The dynamic between these countries is not only shaped by economic interests but also by crime, national security concerns, and evolving political ideologies. This chapter (epilogue) seeks to examine the underlying causes of these tensions and explore the idea of "enemy" in the context of this relationship, ultimately questioning who the real adversaries are.

Historically, the three nations have fluctuated between periods of cooperation and tension. Canada and the United States, despite occasional disputes, have shared a generally stable and cordial relationship, especially in terms of trade and security. The United States and Mexico, on the other hand, have a much more complex relationship, frequently marked by issues related to immigration, the drug trade, and territorial disputes. Canada, though often considered a "neutral" or "non-interventionist" power in comparison to the U.S. and Mexico, has not been without its own political tensions in the region.

Canada's policy of peacekeeping and maintaining neutrality in international conflicts contrasts with the more interventionist approaches seen in U.S. foreign policy.

The relationship between Mexico and the United States, rooted in centuries of territorial and economic disputes, often involves a balance of cooperation and conflict. The rise of organized crime and drug cartels in Mexico has exacerbated tensions, with the U.S. placing increasing pressure on its southern neighbor to curb drug trafficking, an issue that has had profound implications for both countries. In recent years, the evolving political landscape, particularly with the rise of populist and nationalist ideologies, has further strained the relationships between these three countries.

One of the most prominent issues affecting the political and diplomatic relations between these three countries is the illegal drug trade, which transcends borders and involves complex networks of cartels and organized crime. The drug trade, primarily originating from Mexico, has far-reaching consequences not only for the countries directly involved but also for global security.

Mexico is a major producer and distributor of narcotics, including marijuana, heroin, cocaine, and methamphetamines. These drugs are funneled into the United States, where they fuel an insatiable demand, contributing to the opioid epidemic and drug-related violence across the country. The U.S. government has invested heavily in combating the drug trade, both domestically and through foreign assistance to Mexico. Despite this, the proliferation of cartels has only intensified, and there is little sign that the flow of illicit drugs will stop anytime soon.

For Canada, the situation is no less troubling. The opioid crisis that has gripped both the U.S. and Canada is linked to the illicit drug trade, with Canadian provinces like British Columbia experiencing surges in overdose deaths due to fentanyl and other synthetic opioids. Mexican drug cartels are often implicated in the importation of these deadly substances, and Canadian authorities have become increasingly involved in anti-drug operations and international law enforcement cooperation.

While the United States has historically led the charge against drug trafficking, Canada and Mexico have been brought into the fold as key partners in joint efforts to

combat organized crime. However, the approaches of each country are often at odds. The U.S. focuses heavily on law enforcement and militarized tactics to fight drug cartels, while Mexico is constrained by its own internal political instability and corruption, making comprehensive action difficult. Canada, while not as deeply entangled in the drug trade, has faced growing pressure to bolster border security and counter the flow of illegal substances into its territories.

The criminal element in North America, especially related to drug cartels and organized crime syndicates, has been a significant source of tension between the countries. The United States often criticizes Mexico's handling of cartel violence, while Mexico perceives U.S. drug demand as the root cause of the problem. Canada, although not directly involved in the cartels, finds itself caught in the crossfire of the broader North American drug war.

Immigration is another highly charged political issue that has driven a wedge between these three nations. For the United States, immigration has been a focal point of political discourse, with the government instituting increasingly stringent border security measures and controversial policies, such as the construction of a border wall along the southern U.S.-Mexico border. The rhetoric surrounding immigration has become increasingly hostile, with many Americans viewing the influx of undocumented migrants as a threat to national security and economic stability. In this context, Mexico is often portrayed as both a transit country and an enabler of illegal immigration into the United States, despite Mexico's own challenges with migration and its role in international agreements like the United Nations Global Compact for Migration.

For Canada, immigration has long been a cornerstone of its identity, with policies that emphasize diversity and refugee resettlement. However, the recent surge in asylum seekers, particularly from the United States, has strained Canadian immigration systems. The "Safe Third Country Agreement," which holds that refugees must claim asylum in the first safe country they reach, has become a point of contention between

Canada and the U.S., with Canada sometimes being criticized for "accepting" migrants who should have applied for asylum in the U.S.

The question of who is to blame for the immigration crisis and how best to address it is a matter of ongoing debate. Many in the U.S. view Mexico as complicit in enabling illegal immigration, while Mexico blames the U.S. for creating an environment in which migrants are forced to risk their lives. Canada, though less directly affected by the political firestorm of U.S. immigration policies, has found itself in the midst of a broader geopolitical argument that pits North American countries against one another over how best to handle migration.

Trade is another area in which political tensions between these three nations have emerged. The United States, under former President Donald Trump, sought to reframe the North American Free Trade Agreement (NAFTA), resulting in the 2020 United States-Mexico-Canada Agreement (USMCA). The renegotiation of this trade pact exposed the vulnerabilities of the relationship between the countries, particularly between the U.S. and Mexico. While the U.S. viewed the agreement as a way to reduce trade deficits and secure better terms for American workers, Mexico feared it would face increased protectionist policies that would harm its economy.

Canada, too, found itself navigating the fine line between maintaining its economic ties to the U.S. while ensuring that its interests were not overshadowed by the political interests of its southern neighbor. The USMCA's impact on various industries, from agriculture to manufacturing, has had significant consequences for Canadian and Mexican markets, as well as for U.S. businesses reliant on cross-border trade.

The rise of protectionism in the U.S., compounded by the rhetoric of "America First," has shifted the balance of power in North American trade relations. In the eyes of many Americans, Mexico and Canada are viewed as trading partners that, in some cases, undermine American interests, particularly in industries such as manufacturing

and agriculture. This has led to a growing sense of antagonism that complicates what was once a largely cooperative relationship.

While the political and criminal tensions between Canada, the U.S., and Mexico are multifaceted, it is crucial to examine who the true "enemy" is in this complex dynamic. The term "enemy" often refers to external threats, but in the case of North America, much of the animosity stems from internal challenges that have been magnified through political discourse and national self-interest.

Economic Disparities: The growing economic inequalities between these countries, particularly between the U.S. and Mexico, are at the heart of many of the disputes. While the U.S. remains the wealthiest country in the region, Mexico continues to grapple with poverty and social instability. These disparities fuel immigration, trade tensions, and a sense of vulnerability that is exacerbated by economic competition.

Drug Cartels and Organized Crime: The cartels and criminal networks that span all three countries remain a significant threat to national security. However, the war on drugs, and the manner in which each country approaches it, often exacerbates the problem. The lack of coordinated international efforts, coupled with internal corruption and inefficiency, allows cartels to thrive, turning crime into a persistent political issue.

The rise of nationalism, particularly in the U.S., has created an environment where allies are treated as adversaries. The populist rhetoric that has gained traction in American politics often targets Mexico, framing it as a nation of criminals and criminals as the source of national insecurity. Canada, while not as directly affected, faces its own challenges as it navigates U.S. protectionism and its role in international agreements.

The political and criminal landscape between Canada, the United States, and Mexico is complex and fraught with challenges. While each nation faces its own set of internal problems, the way these issues manifest in international relations is shaping the perception of the "enemy." The true adversary may not be any one of these countries, but rather the systemic issues of inequality, crime, and nationalism that drive wedges

between them. As long as these issues persist, North America will continue to grapple with tensions that undermine the potential for a unified, cooperative future.

In the end, the real enemy may not be an external force, but the internal struggles that each country must confront if they are to overcome the political, criminal, and social issues that divide them. This epilogue touches upon various points of tension between the three countries, aiming to provide an understanding of why relations have become so strained in recent years. The "enemy," as explored, is not an external entity but often the internal factors—be they economic, political, or criminal—that complicate the relationships between these nations.

The major question on almost everyone's lips in North America in February 2025 (as this book was coming to its conclusion) was - can a North American trade war be avoided and how can illegal immigration be stopped? Here is what the prestigious Pearson institute for international economics had to say... president Trump has given Canada and Mexico limited time to propose solutions that would stop illicit fentanyl and unauthorized migrants from entering the US. How realistic are his demands?

It's no easy matter for either Mexico or Canada to halt the flow of fentanyl into US territory, but much harder for Mexico than Canada. For starters, the volume in metric tons of a year's worth of American fentanyl consumption is in the single digits and can be transported in a single truck container. Annually, more than seven million trucks enter the US from Mexico, along with seventy-five million cars. So, finding fentanyl shipments is akin to the proverbial needle in a haystack. Moreover, for lack of a Congressional appropriation (though money was authorized), even the US Customs and Border Protection agency (CBP) does not have sophisticated sensor equipment for detecting fentanyl.

Within Mexico, the best ways to stop fentanyl production are to seize precursor chemicals arriving from China and shut down fentanyl factories. (Precursor chemicals are substances used in the illicit manufacture of narcotics and other controlled

substances.) But production is centered in cartel-controlled states, namely Sinaloa, Baja California, Durango, Sonora, and Chihuahua. In his inaugural address, President Trump labeled such cartels as terrorist organizations, but it is unclear how labeling them will bring them under the heel.

For decades, the Mexican government has not been able to uproot the cartels and reclaim these states. Eight coastal cities serve as dominant points of entry for precursor chemicals, and the Mexican navy may enjoy greater success interrupting precursors. Yet even if President Sheinbaum totally commits to stopping fentanyl by relying on the navy (relatively free of corruption), the project will take years, not weeks.

Canada's challenge in stopping fentanyl may be hard but much easier than Mexico's. Far less fentanyl is produced in Canada than Mexico. In 2023, CBP seized 2,800 pounds of fentanyl at the US-Mexico border, and less than five pounds at the US-Canada border. As with Mexico, the annual volume of arriving cross-border traffic from Canada—nearly six million trucks and twenty-one million cars, makes a border-detection strategy difficult. Moreover, a crackdown on fentanyl arrivals from Mexico may likely shift production and distribution to Canada.

On the bright side, the federal Royal Canadian Mounted Police (RCMP, with 3,400 officers) and other federal police forces (about one thousand officers) are relatively free of corruption and do not face a cartel problem. Conceivably, a Canadian promise to boost its federal police force and border agency by another thousand officers to detect and destroy fentanyl production might satisfy Trump. In fact, a few days before Trump's inauguration on January 20, 2025, the Canadian government announced plans to bolster the RCMP and other federal forces.

Stopping illegal immigration is the other issue effecting all three North America countries. New enforcement measures taken by President Joseph R. Biden Jr. in 2024 reduced the monthly number of unauthorized immigrants encountered in the southwestern land border by CBP from around 270,000 in September 2023 to around

100,000 in September 2024. Nevertheless, to Trump's advantage, illegal immigration remained a central issue in the 2024 election campaign. In January 2023, Trump claimed that Mexico posted 28,000 troops to deter border crossings during his presidency. While that claim was never verified, in June 2019, CNN quoted the former Mexican defense secretary Luis Sandoval as saying that 15,000 troops were posted to the border. A Mexican promise to post 20,000 troops on the border for an extended period might satisfy Trump.

Illegal immigration numbers from Canada are far smaller than from Mexico. In September 2024, the monthly number was about 17,000, about two-thousand less than in September 2023. The Canada-US border is not only much longer (5,500 miles) than the Mexico-US border (2,000 miles) but also largely unprotected by barriers. Hence the Canadian Border Security Agency (CBSA), with a force of about 8,500 officers, is stretched thin. Again, a Canadian promise to add an additional two-thousand officers to the CBSA might (but most likely not) buy a delay in Trump's threatened tariffs.

Musings & Final Thoughts (The Last Word)

The author of this book has used many newspapers quotes through out this novel - probably because he was a newspaper (and magazine) publisher and editor, so using and publishing works by quality journalists is engrained in him. So, it should come as no surprise then, that he is decided to use two awe-inspiring Globe and Mail editorials and an excellent Conrad Black (National Post) rant to formally end this book.

It may seem odd to say that Canada, the world's fourth oldest continuous democracy, needs to start behaving like a grownup, but that is precisely the moment in which the country finds itself.

For too long, when it comes to the two areas of statehood that most require a firm adult hand – national defence and the economy – Canada's federal and provincial governments have displayed the self-indulgent complacency of a teenager who tries to get away with doing the bare minimum. This lack of maturity is the result of an over-reliance on the United States for military protection and as a built-in source of export revenues. It has been so easy to do well enough that doing better hasn't been deemed worth the effort required to get up off the basement couch.

And now all of a sudden mom and dad are finally throwing Canada out of the comfortable split-level existence it thought it had a right to inhabit forever. If our governments' adolescent self-indulgence doesn't end now, it never will. It doesn't matter that U.S. President Donald Trump is grossly exaggerating when he says his country has a "two-hundred billion dollar or two-hundred and fifty billion" trade deficit with Canada. It doesn't matter that his threat to impose twenty-five per-cent tariffs on all Canadian goods imported into the U.S. is pure madness, or that it would do as much harm to his economy as it would to Canada's.

What matters is that it is now clear that the starting assumption for economic and defence decisions in the future can no longer be that the U.S. will always be there

for Canada. We must stand on our own. It will require making tough, adult choices, but we can do it.

Defence-wise, it has been a luxury for Canada to live under the same roof as the world's greatest military and nuclear power, and to be able to call that power an ally and friend. It has meant that the degradation of our ability to carry out basic military missions – as seen once again in the Defence Department's latest report on readiness – has had no serious repercussions, because no sane country would begin hostilities against America's next-door neighbour.

This has allowed Ottawa to redirect revenues toward voter-friendly priorities, outside consultants and bigger government, while paying lip service to the men and women who serve bravely in the Canadian Armed Forces and to our obligation to contribute to our allies' defence.

But the result is that Canada isn't meeting its obligations to NATO and to the North American Aerospace Defence Command (NORAD), and it is not doing anywhere near enough to protect the Arctic on behalf of its continental ally. When it comes to pitching in, Canada can barely bring itself to pile its dirty dishes in the sink, let alone help with the shopping and making dinner.

A grownup country doesn't shirk the responsibility of having a properly funded and manned military during peacetime. It makes the budgetary sacrifices required for it, which means going without other, more pleasant things. As for the economy, Canada acts more like a trust-fund baby than an independent adult.

The integration of our economy with that of the U.S. is a major accomplishment that benefits both sides, Mr. Trump's falsehoods notwithstanding. But the relatively easy money that comes from living a bridge and a pipeline away from a giant foreign market has made Canada complacent.

Provincial governments view access to American markets as permission to stifle east-west trade with ludicrous interprovincial trade barriers. They and Ottawa are also

content to impose regulatory handcuffs and uncompetitive taxes that discourage foreign and domestic investment.

And why shouldn't they? Why take the political risks required to do better? Why oblige Canadian companies to be more productive and innovative by opening up their markets to more competition, or why put an end to supply management in the dairy industry, when so many American dollars are flowing into everyone's bank accounts like some kind of monthly allowance?

It's time to do better. Canada is a great country that has much to offer the world, but it has been trapped in a prolonged adolescence that keeps its potential hidden, even from itself. Mr. Trump's new round of tariff threats is the existential crisis that can – indeed, must – finally push this country into adulthood.

Editorial number two (also from the Globe and Mail) ... if all goes as expected, Canada will face important back-to-back general elections in the coming months. Ontario's is already in motion, thanks to the snap vote called late January by Premier Doug Ford. At the federal level, all signs point to a confidence vote the minute Parliament returns in late March that will bring down the Trudeau government and kick off a general election, with voting in April or May. If that scenario doesn't come to pass, there still has to be a federal election no later than October twentieth.

There are also scheduled elections in Nunavut, Yukon, Newfoundland, and Labrador this fall. It will be a busy year but also a highly unusual one, because the stakes in every vote will be at a historical high. U.S. President Donald Trump's tariffs have made the political landscape unrecognizable. All bets about our biggest trading partner are off, and any politician who goes into an election this year talking about anything else has to be suspect in voters' eyes.

Here are the issues that politicians at the federal, provincial, or territorial level must address if they want to be taken seriously in 2025 and beyond: Acknowledging a changed world. Our old assumptions are dead. We are heading into an era of

protectionism, led by a U.S. President who believes his country can only win if others lose. Campaigning as if this weren't the case would not only be wrong, but it would also be weird. Eliminating interprovincial trade barriers. Any politician who cannot commit to something so obviously overdue and urgent will be wasting Canadians' precious time.

Building adult federal-provincial relations. Fighting America's economic aggression requires a respectful working relationship between all levels of government that rises above silly partisanship. Among other things, federal politicians should pledge not to creep into provincial jurisdictions; their provincial counterparts, in turn, need to stop blaming their problems on Ottawa. Rescuing Canada's productivity. Politicians at all levels need to pledge to invest in infrastructure, cut red tape and reform their respective tax systems in order to free up capital and promote foreign and domestic investment. Any party that doesn't offer a workable plan to immediately increase Canada's lagging productivity and ease the way for capital investment cannot be considered a serious option.

Balancing budgets. Enough with vowing to balance provincial and federal budgets some time down the road. Candidates and their parties should pledge to do it by the end of their first term and then live up to that. Investing in defence. Canada needs a properly funded and manned military, period. We must be able to protect our interests, meet our NATO commitments and make a meaningful contribution to continental defence. It will require hard choices (that will likely impact the provinces) when it comes to federal spending. Hard choices require leadership; voters should insist on it.

Fixing health care. Politicians need to get past the tired debate about preserving the government monopoly on health care and focus on the only thing that matters - timely access to care regardless of income. Timely doesn't mean equal; it just means timely. There are too many jurisdictions around the world that have far better outcomes than Canada does with a mix of public and private care for any party to beat

the drum for the status quo. Battling climate change. The federal fossil fuel charge (carbon tax to many) appears to be doomed. The serious candidate has to have a politically durable and economically realistic alternative that doesn't insult Canadians' intelligence by telling them it will be pain-free. Politicians also need to invest in mitigation plans to prevent forest fires and flooding.

Repairing immigration. Canada's points-based immigration system was once the envy of the world. It took the Trudeau government just a few years to ruin it. It's on the mend now, but a serious candidate needs a plan to fully restore it. Not all of these things are easy to do or sell. But the moment is here for Canada, as we said last month, to finally become a mature, independent nation that can compete in a changed world. Electoral candidates who get beyond simple slogans and old battles, and who are prepared to do the difficult things required of the times, are the only ones who deserve voters' attention.

Canada's National Post newspaper printed this Conrad Black's sermon on the mount in February of 2025. Black had this to say...those of us who confidently stated that in waving about twenty-five per cent tariffs against Canadian goods, U.S. President Donald Trump was just playing poker and raising the ante, appear to have been vindicated. Those who were preparing for guerrilla war, such as the Toronto Star editorial board and the worryingly incoherent and oddly malicious Andrew Coyne, have been left to self-sedate in a quiet place and return to normal life when they are ready, without rushing it or being over-ambitious. It was outrageous, as I and others have written, for the U.S. government to treat Mexico and Canada alike. As our capable ambassador to the United Nations, Bob Rae, pointed out on Fox News, when tourism and investment are taken into account, our trade relationship provides huge benefits for both Canada and the United States. And whatever grievances the Americans may think they have over the entry of undesirable people and dangerous drugs into their country across the northern border, we have at least as great a grievance over the flow of illegal

firearms and migrants, who have fled across our border in fear of the new president's threats to deport them. The United States has acknowledged that the flow of fentanyl from Mexico to the U.S. is nearly five-hundred times greater than the quantity that has come from Canada.

All of this is essentially nonsense, because it is up to each sovereign country to put whatever controls it judges appropriate on its own border. The United States and Canada are free countries that do not restrain people from leaving. One of the principal reasons for President Trump's re-election was his predecessor's insane decision not to take security at the southern border seriously, which allowed millions of illegal migrants to stream into the country. The number of people entering the U.S. illegally across southern border is orders of magnitude greater than those coming across the northern border; and where Mexico and China had been collaborating to entice manufacturing out of the United States and replace it with cheap labour fabrication and sell products back to the United States under the cover of the North American free-trade agreement, Canada has been a fair trading country throughout. It is no concern of ours that Trump has chosen to put Mexico and China in their place, but treating Canada as he did was unjust and seriously annoying.

Part of our problem has been Canadian sensitivity: we have, as a country, been so circumspect in our behaviour that we are not accustomed to disapproval. President Trump told me months ago that Canada had nothing to fear from the United States other than that, "Your trade negotiators are better than ours and we need to put that right." Only a trade wonk could know if that is true, but if it is, the answer is not to wave tariffs around like six guns. Precisely because Canada is such a well house-trained country, we are acutely discomforted by aggressive treatment, particularly from a country we know as well as the United States. Not since French President Charles de Gaulle, on a state visit in 1967 to celebrate the centenary of the Confederation of Canada, took the opportunity to urge Quebec to secede from Confederation have we

had such a great and legitimate grievance against the conduct towards us of a great power. On that occasion in 1967, we were for the first time left all alone to deal with what was a genuine, as well as an extremely provoking, challenge from the man who was then, along with Mao Zedong, the most eminent statesmen in the world, and one revered by the French-speaking population of this country. He said his reception in Quebec had reminded him of the liberation of France, as if the Canadian Army had not landed at Juno beach on D-Day as liberators.

Americans, and citizens of other countries that have been more assertive in more contentious areas than Canada, are accustomed to having their flags burned in public and their embassies attacked. In some respects, we suffer from being too gentle a country. My friend Frank Buckley, a distinguished public intellectual from Saskatchewan, when he moved to the United States about twenty years ago to take up an important academic posting, said: "I'm leaving the best country in the world to go to the greatest country in the world, but they are both great countries and they are both good countries." These things are to some extent a matter of taste but that is a very defensible statement, and we should keep it in mind and not jeer at each other's national anthems or otherwise pillory our neighbouring country, with which we have had an almost unvexed relationship for over two-hundred years. No sane Canadian (or American) would have wished to change places with Poland or Korea in the last two centuries.

The most positive development to come from the tariff controversy is the flickering of patriotism that has occurred in this country and which, if followed up seriously, could assist us into growing fully into the psychology of a G7 country of worldwide importance. We should have at least three times the defence capability that we do. There is no more stimulative spending than on the high technology requirements of the military, no more efficient centre of mature higher education than the Armed Forces and no more readily available method of training up unemployed people. If we

tripled our commitment in this area, we would rapidly discover we have three times the influence and credibility in the world than we have now, not because we would become warmongers, but because we would have greater influence within the western alliance and assist in building the deterrent capability of the democratic countries.

We must also abandon the green terror and the tax-and-spend policies of the Trudeau-Freeland negative economic miracle of comparative stagnation and loss of relative per capita prosperity, ramp up our oil and gas export and refinement capabilities as quickly as possible and comprehensively incentivize investment. I am one of that endangered minority who would favour increasing our commitment to public broadcasting and to the national film industry, as long as quality improved, in order to strengthen Canada's international standing in those fields and, by constructive means, keeping as much of that talent as we can here rather than in Los Angeles, London or Paris. We should also look seriously at taking over American automobile production in this country and turning one of the European automobile manufacturers into a binational joint venture with this country. If Sweden and South Korea can have their own automobile industry, so can we. One topical matter we could approach is that of Greenland. Its population has the most in common with the population of Canada's nearby Baffin Island. As part of an undertaking to pull our weight in the defence of the Arctic, in addition to reviving former prime minister Brian Mulroney's plan to purchase 10 nuclear submarines and former prime minister Stephen Harper's yet unrealized goal of building the super-icebreaker CCGS John G Diefenbaker, we could promote a closer association with the population of Greenland. Governor General Mary Simon, given her ethnicity and service as ambassador to Denmark, could play an important role in this.

The negotiations with the Americans won't be so painful. Let's take this chance to flex benign muscles that we have shown no recognition that we have. The world is waiting for us.

Special thanks to the Globe and Mail newspaper & Conrad Black (National Post)

Stop The Presses (Breaking News)

Seemingly overnight, the Canadian political establishment has become laser-focused on the idea of shoring up the economy against tariff threats from the U.S. President Donald Trump. After years of worrying mostly about emissions, equity or “fairness,” the goal now is seemingly to make as much money as possible, and to do it through means that don’t involve the United States.

This ‘stop the presses’ moment was curated by Tristin Hopper under the title of ‘First Reading’ and in a way it puts in perspective the full concept of this book and author Turcotte’s previous novel – Fragmentation of Canada ... British Columbia’s NDP Premier David Eby posed in a hard hat and safety vest and pledged to start fast-tracking mining projects. Industry Minister François-Philippe Champagne has started talking about the need for new pipelines. Quebec Premier François Legault said Canada needs “diversification of markets,” and vowed to work “better with other provinces.” And the Conservatives have been hammering hard on a “Canada First” strategy to pivot away from U.S. markets.

But Canada has spent nearly one-hundred years orienting its economy and infrastructure towards selling raw materials and niche manufactured goods to the United States. Any shift away from that is going to involve much more than some “Buy Canadian” campaigns at the grocery store.

Below, a cursory review of what a Trump-resilient Canadian economy would actually look like. In 2023, Canada was in talks with the United Kingdom

to ink a free trade agreement until the deal fell apart over the issue of cheese. Canada runs its entire dairy system through what is essentially a state-sanctioned price-fixing cartel; dairy farms are limited in how much they can produce in order to create artificial scarcity and drive up the price. And a big part of that requires shielding domestic dairy farms from outside competition. Any milk or cheese entering Canada is restricted by tight quotas, with any “off-quota” dairy products slapped with tariffs of up to three hundred per cent. And situations like the U.K. trade breakdown happen all the time; Canada opens free trade negotiations only for the talks to be derailed once the other party learns that Ottawa intends on treating dairy imports like a controlled substance.

The system is known as “supply management,” and it’s a perennial stumbling block when it comes to Canada’s trade with Australia and New Zealand. It was a huge sticking point when former prime minister Stephen Harper’s government was trying to negotiate the Trans-Pacific Partnership a decade ago. And the policy frequently comes within the crosshairs of any U.S. politician with a dairy farm in their jurisdiction. “Canada ... treats our dairy farmers horribly. That’s got to end,” Howard Lutnick, the new U.S. Commerce Secretary, said at a hearing last month. Not only does supply management constantly throw a wrench into Canada’s attempts to trade with the wider world, but it’s very obviously imposing a cost on Canadian consumers. The whole point of the system is to artificially raise prices, and according to a 2014 University of Manitoba study, this hikes household grocery prices by between four hundred and seven hundred dollars per year.

It would be nice if there was a better explanation for supply management than raw cronyism, but that’s effectively it. The Dairy Farmers of

Canada and its affiliates are the most powerful lobby group in Ottawa and it's not even close. And that's part of why even while politicians are making sweeping pledges about economic reform, supply management is being conspicuously exempted. Trade Minister Mary Ng told CTV last week she would not be making any concessions to the Americans on supply management. In the words of one economist, the University of Calgary's Trevor Tombe, "no political statement about commitment to economic growth means anything if it's from a politician who supports supply management."

This is one that almost everyone agrees on (except Elizabeth May). Canada is extremely good at nuclear power; it has lots of experience exporting nuclear technology worldwide and we happen to be the world's second-largest producer of uranium after Kazakhstan. Eastern European countries looking to adopt nuclear energy as a substitute for Russian oil have been extending feelers to Canada in this regard. And unlike any number of countries who have similarly approached us about importing natural gas, they've gotten a welcome reception. A just-released report from the Macdonald-Laurier Institute noted that if Canada hopes to capitalize on a global trend towards expanded nuclear power generation, the country is going to have to focus on enriching its uranium, in addition to mining it.

As of this writing, Canada was one of the world's top five largest oil exporters, along with Iraq, Russia, Saudi Arabia and the United States. Where we differ sharply from any of those exporters is that virtually our entire petroleum industry is geared towards selling our product to a single customer: ninety-eight per cent of Canadian oil exports go to the U.S.

Aside from a few east coast offshore oil platforms, most of the country's oil is in Alberta, and if Alberta wants to export its oil to someone who

isn't the United States, there is precisely one Canadian port where they can do so: Westridge Marine Terminal in Burnaby, B.C., the end point of the Trans Mountain Pipeline. Canada even struggles to sell its own oil to itself. With no pipeline connection between Alberta and the Atlantic Coast, refineries east of Quebec City are often forced to import foreign oil. Naturally, this is an unthinkable state of affairs for any other major oil producer. Even Russia — which has been subject to an avalanche of sanctions following its invasion of Ukraine — continues to have more flexible access to the global oil market than Canada. Russia has three oil export ports, and active pipeline connections to more than a dozen countries.

As with supply management, however, pipelines may also be left out of Canada's supposedly new era of economic liberalization. Much of Quebec's political spectrum has been quick to say that while "diversification" is important, it may not be important enough for them to tolerate an export pipeline. Premier Legault said Quebec would look at any pipeline proposals, but they'd have to have "social acceptability."

National public opinion is similarly mixed. Although there's renewed support for building the Energy East pipeline to connect Alberta with Atlantic Canada, an Angus Reid Institute poll published this week found that the share of Canadians who think the federal government is doing "too little to build pipeline capacity" (forty-nine per cent) is slightly less than it was in 2019.

It's not just Canada's pipelines that primarily serve to funnel product into the United States. Our road, rail and shipping networks are similarly oriented towards getting materials over the border where they can then be handled by Americans. This is most conspicuous when it comes to shipping. Strictly speaking, Canada has just one major port that can operate

independently of the United States: The Vancouver Fraser Port Authority. This is the only port in Canada that operates at a level equivalent to a Tokyo, a Long Beach or a Bremen. And a newly published assessment by the World Bank and S&P Global Market Intelligence ranked it as one of the world's least efficient.

Meanwhile, any Great Lakes ports (including Windsor, Sault Ste. Marie, Toronto and Hamilton) have to send vessels through the Saint Lawrence Seaway, which is partially controlled by the United States. After Vancouver, our next-busiest port is Montreal, which handled 35.6 million tonnes of cargo in 2024. That may sound like a lot, but it pales in comparison to the 132 million tonnes of cargo that flowed over the U.S./Canadian border in the same period — and that's just by truck and train, the figure is much higher when factoring in barges, pipelines and short-haul freighters.

As for rail, there's only two main East-West rail networks. And Canada has an unfortunate habit of letting the entire network go into shutdown for days on end if so many as a few dozen activists stage a blockade. On roads, Canada has the most per capita of any country on earth, but as noted by one U.S. critic, large swaths of the country are knitted together by two-lane blacktops that would seem "1920s-era" by the standards of the U.S. Interstate System. This is probably where we should mention that it was only a year ago that Environment Minister Steven Guilbeault was talking about never building another federally funded road again. As Guilbeault said in comments published by the Montreal Gazette, Canada's existing road network "is perfectly adequate to respond to the needs we have."

It was only a few months ago that the Trudeau government introduced a hike to the capital gains tax which immediately prompted dire warnings from the tech sector that the effect would be a tidal wave of capital flight. In

response, then-finance minister Chrystia Freeland delivered a lengthy soliloquy about how such critics were endangering their own safety by seeking a Canada where “the public sphere is so degraded and the wrath of the vast majority of their less privileged compatriots burns so hot.”

Any kind of pro-growth strategy for Canada would naturally have to avoid policies that actively scare away investors, capital and entrepreneurs. And Canada has a lot of them. As a result, the amount of business investment per Canadian worker has been in freefall since 2015. Each passing year, the average Canadian worker is producing less than what they produced the year before. BMO Financial Group used the current spat with the United States to point out just how uncompetitive Canada has become as compared to its peers. In a Feb. 5 op-ed, CEO Darryl White pointed to the capital gains hike as a sign of just how bad it’s gotten and said the country needs “public policy and taxation that rewards smart risk-taking, and regulation that incentivizes business formation and growth.”

Throughout the U.S./Canada trade fight, almost everyone has noted the absurdity of how it is often easier for Canadian businesses to trade with the United States than it is to trade with their fellow Canadians. There’s any number of examples, such as how B.C. fruit needs to meet different packaging standards to be sold in Ontario, or how each province has a different licensing body for professionals, or how it’s nearly impossible to legally purchase alcohol from an outside province.

These “interprovincial trade barriers” aren’t just a headache, they’re a pretty clear violation of the spirit of our country’s founding document, the British North America Act. It’s right there in Section 91: “The Regulation of

Trade and Commerce” is to be an exclusively federal jurisdiction, just like coinage, the postal service and national defence.

And much like supply management, interprovincial trade barriers are one of those things that is pretty obviously a barrier to growth. Among the many, many reports examining the issue, the only real point of contention is in how badly it’s damaging the economy. One of the more recent, from the Canadian Federation of Independent Business, puts interprovincial trade barriers” in principle, provincial governments love wielding petty control over everything from accountant certification to alcohol sales to safety standards for passenger vehicles. So, this might be one of those things that doesn’t get fixed unless Ottawa runs a steamroller over the premiers.

Source – Tristin Hopper (National Post)

The Words of Winston Churchill

We shall fight on the beaches. We shall fight on the landing grounds. We shall fight in the fields, and in the streets, we shall fight in the hills. We shall never surrender! - Speech about Dunkirk given in House of Commons on June 4, 1940. Never in the field of human conflict was so much owed by so many to so few. - Speech made in the House of Commons on August 20, 1940, during the Battle of Britain. Never give in - never, never, never, never, in nothing great or small, large or petty, never give in except to convictions of honour and good sense. Never yield to force; never yield to the apparently overwhelming might of the enemy. - Speech given in London on October 29, 1941

Canada is the linchpin of the English-speaking world. Canada, with those relations of friendly, affectionate intimacy with the United States on the one hand and with her unswerving fidelity to the British Commonwealth and the Motherland on the other, is the link which joins together these great branches of the human family, a link which, spanning the oceans, brings the continents into their true relation and will prevent in future generations any growth of division between the proud and the happy nations of Europe and the great countries which have come into existence in the New World. - Speech given at a luncheon in honour of Mackenzie King on September 4, 1941. My dear friends, this is your hour. This is not victory of a party or of any class. It's a victory of the great British nation as a whole. We were the first, in this ancient island, to draw the sword against tyranny. After a while we were left all alone against the most

tremendous military power that has been seen. We were all alone for a whole year. - Speech on VE-Day in London on May 8, 1945.

Canada was there for Italy, France, Holland, Poland, Germany and especially Great Britain during these countries' hour of need. From the very beginning through to the end of the Second World War. One wonders if these nations will return the favour and be with Canada during its hour of need.