

If NAFTA goes, let's try common market

IT SEEMS THERE'S no such thing as an international agreement that U.S. President Donald Trump likes. He has opted out of the Paris agreement on climate change, terms the Iranian nuclear deal 'an embarrassment to the United States,' and the North American Free Trade Agreement (NAFTA) 'a disaster' for the U.S.

In the circumstances, there's precious little chance that Canada and Mexico will manage to prevent the ill-informed, protectionist president from carrying out his threat to tear up the agreement.

That being the case, we wonder how much thought has been given by the current Canadian government to an appropriate response, bearing in mind that despite Mr. Trump's assertions to the contrary, NAFTA has led to trade between Canada and the U.S. not just growing but remaining roughly in balance, with Canada currently having a surplus in 'goods' (mainly oil and natural gas) and the U.S. one in services.

There must be a touch of irony in the enormous changes in Europe and North America since the end of the Second World War. In the immediate postwar era the border between Canada and the United States stood out as virtually unique in the world, with citizens of the two countries crossing it effortlessly, required only to carry some proof of their identity and usually asked by unarmed customs officers only where they were headed and how long they planned to stay.

In Europe, all border crossings had heavily armed guards in the postwar era and anyone wishing to cross had to possess valid passports and in some cases visas as well. As the Cold War intensified we witnessed the erection of the Berlin Wall and many shooting incidents when attempts were made to flee the Iron Curtain.

Contrast those scenes with what one witnesses today. In North America we have Haitian refugees crossing illegally into Canada, passports required for anyone crossing a border which apparently has 2,500 armed guards on the U.S. size and plans by the Trump administration to increase that number and enhance existing border security, albeit not yet with a wall to be paid for by Canada. Meanwhile, in Europe, borders have become virtually invisible, thanks to the European Union and its common market and currency.

Canadians visiting the continent still need passports but there's only one security check no matter which airport or port of entry is used. And by very definition, trade among the European Union's 28 member countries is completely free.

Surely the question both Canadians and Americans should be asking these days is, if European nations that have fought countless wars amongst themselves can have invisible borders, why not the two North American neighbours?

As we see it, there's at least a chance that Mr. Trump would welcome the idea of a common market, in that it would fit perfectly with his objective of a smaller government and less regulation, saving enormous amounts of money and guaranteeing free access to Canada's forests and energy resources.

Of course, the twin related concerns at Washington would be immigration and terrorism. To relieve those concerns, Canada would likely have to agree to having joint staffing of immigration offices and perhaps a joint Coast Guard.

Even then, we would fall well short of the current situation in Europe, in that each country would still have its own currency and there would be no need for a single parliament.

And if the common market worked as well as we think it would, there would always be the possibility that down the road Mexico could be invited in.