

INFORMATION BULLETIN

DATE: January 29, 2009

SUBJECT: *Let's get the border working again, By Michael Kergin*

SOURCE: *Ottawa Citizen*

The U.S.-Canada International Boundary Commission marks its centennial this year. For the past 100 years the commission's primary responsibility has been to keep the "boundary vista ... entirely free of obstruction and in proper condition." Today, the U.S.-Canada border is no longer unobstructed and its condition is less than proper.

U.S. President Barack Obama has indicated clearly that massive infusions into national infrastructure will be a central part of the stimulus program of the new administration. Accordingly, Canadian-American engagement has become even more urgent and opportune.

Over recent years, our shared border has become the subject of unprecedented attention, and not just from a security perspective. Unimpeded access for two-way trade crossing the border, amounting to close to half a trillion dollars per year, remains an economic imperative — for both countries

About 75 per cent of Canadian exports go to the U.S. while hundreds of thousands of Canadian jobs depend on those cross-border shipments. South of the border, 7.1 million U.S. jobs depend on free and open trade with Canada. Canadian trade also contributes importantly to U.S. economic wellbeing. We are by far the largest foreign market for the United States, representing over one-fifth of all U.S. exports — more than the EU and China combined.

Canada and the U.S. make things together. Approximately 70 per cent of our trade is intra-industry, while close to 40 per cent is intra-corporate. This is particularly true in the auto and auto parts industries. Additionally, about one-third of Canada's exports to the U.S. are composed of goods which have been previously imported from the United States.

So, not only do Canada and the U.S. need to re-affirm both countries' commitment to the security of our shared neighbourhood, but we must also examine what renovations are required to modernize our common border. Our competitiveness at home and the ability to attract foreign

investment depend, in large measure, on low-cost and efficient movement within the North American marketplace.

Passport and entry regulations, border delays, mandatory cargo data reporting requirements and new border inspection fees have introduced additional costs for individuals and businesses in both countries. The 30-percent decline in tourism to Canada from the United States cannot be explained solely by the corresponding increase — until recently — in the value of the Canadian dollar. And delays at the border contribute to serious emissions pollution in and around border communities and along our highways, at a time when both countries are actively seeking to reduce greenhouse gases.

It is urgent the leadership in Canada and the United States forge new institutions to manage better our common border, thereby restoring the benefits of competitive advantage and economies of scale.

Three pillars support cross-border transactions involving goods, services or people: security, transportation infrastructure and smart enforcement. All three can be strengthened by creating a more intelligent border between Canada and the U.S. and a strengthened border at our shorelines.

Critical, however, to their consideration in Washington is the manner by which the Canadian government engages the Obama administration.

After the fall of France in June 1940, North America was faced with a serious security threat from Europe and Asia. With the Ogdensburg Declaration of Aug. 18, 1940, Mackenzie King and Franklin Delano Roosevelt created the Permanent Joint Board of Defence (PJBD). Two advisers, reporting directly to the leaders, were appointed as co-chairs, presiding over military and foreign affairs officials, “to consider in the broad sense the defence of the north half of the Western Hemisphere.”

With risks to our two countries arising from terrorism, illegal substances or unsafe products, it may be time to consider whether our leaders might not collaboratively create an enduring mechanism to confront this new form of international instability.

When Prime Minister Stephen Harper has his meeting with President Barack Obama, he might propose the establishment of a Permanent Joint Border Commission (PJBC), along the lines of the earlier PJBD. The PJBC, co-chaired by cabinet members reporting to the heads of government and including officials from the relevant border, security, foreign and economic departments, would recommend border policy initiatives, as well as co-ordinate the implementation of new measures to streamline our common border.

By looking forward and working more closely together, Canada and the U.S. can improve our common security and build a better shelter against the economic storm.

(by Michael Kergin, a former Canadian ambassador to the U.S.)