



The History of Canada / US Free Trade Agreements

In the first and second week of June 2018, the news that eclipsed Canadian and US News feeds **and** social media is the latest fallout over the Free Trade Agreement between Canada and the US. Trump vs. Trudeau

While I was researching the next Christian Father of Confederation that will be posted to our [History Bites](#), I came across some information about the fractious nature of this issue since before the advent of Confederation. So this is what I found.

In 1852, Sir Adams George Archibald, one of our Christian Fathers of Confederation, was 38 years old.

He was a Member of the Legislative Assembly in Nova Scotia and had been advocating for a *reciprocity agreement with the United States* to increase trade,

Now, that reciprocity agreement was negotiated between the US and the then British Colonies of New Brunswick, PEI, Ontario, Quebec.

Nova Scotia was inadvertently excluded from the agreement. This angered the then-Premier Joseph Howe to the point that he rejected the agreement.

Friends, **some** manner of 'Free Trade' agreements between Canada and the US began while Canada was still a British colony in 1854.

In 1866, 1 year before Canadian Confederation, the US Congress voted to cancel the Reciprocity Agreement. When Sir John A. MacDonalD became Prime Minister in July of 1867, he tried and failed to have it reinstated.

Many Canadian politicians became more of 'protectionist'. Many expressed fear that closer ties with the US would lead to annexation.

Could it be that the issue of annexation was high on the minds of Canadians because in March of that year, negotiations were in process between the US Secretary of State, William Henry Seward and the Russian minister to the U.S., Eduard de Stoeckl, to purchase Alaska?

It has been suggested that the Russians did not want to risk losing Alaska in battle to its then rival - Great Britain.

Alaska eventually became the 49th state of the US on January 3, 1959.

The concern expressed in both Canada and Britain was that the US would try to acquire Rupert's Land also. Britain immediately started negotiations for Rupert's Land to become part of Canada. The prevailing American sentiment at that time was to oust Britain from North America.

At that time, Rupert's Land (largely a fur trading entity) encompassed parts of Ontario, Quebec, all of Manitoba, Saskatchewan, Alberta and the Northwest Territories.

You will hear more about the sale of Alaska and the subsequent purchase of Rupert's Land, in another Blogcast.

In the **1911** election, the ruling **Liberal Party** was very supportive of Free Trade. The issue was just as divisive then, with prominent **Conservatives** campaigning on anti-American sentiments. The Liberals lost the election.

Since then, for 40 years (1935-1980), the US and Canada agreed to many bilateral trade agreements.

Both benefited from reduced tariffs. The most important agreement was for the auto industry in 1960.

After that 1960 agreement, the Canadian government wanted to pursue free trade in other sectors of the economy, but the US was not interested.

In fact, they wanted to phase out some aspects of the guarantees in the auto deal.

Some Canadians resurrected the age-old fears about loss of sovereignty and loss of jobs to the South.

The concept of free trade was studied exhaustively between 1975 and 1985 by various Canadian Senate Standing Committees.

The last of these committees suggested that Canadians should exercise a "**leap of faith**" in the pursuit of more trade with the US.

Just before the election of 1984, debates in the House of Commons on implementing yet another trade agreement, were very fractious.

The **Liberals and NDP** bitterly opposed it on the grounds of protecting Canadian Sovereignty, employing anti- American ads which expressed fears that Canada would become the 51st State.

They also expressed concerns about the impact on Canada's social programs and the long-standing auto agreement.

That election was dubbed "the Free Trade Election" and was won by Brian Mulroney of the **Conservative Party**, even though polls indicated that the majority of Canadians were against it.

There was not as much opposition to it in the US, where polls indicated that up to 40% of Americans were blissfully unaware that the agreement had been signed.

It passed through the Congress with little resistance.

Analyses of the Free Trade Agreement show that often the deciding factor which brought benefit to either Canada or the US, was the rise or fall in the value of each other's currency.

Each side has benefitted from the other's currency woes.

From **1990 to 1991**, Canadians benefited from a **high dollar** trading against the US dollar.

From **mid to late 1990's**, when the Canadian **dollar fell against the US dollar**, Americans benefited more, so much so that **Canada was dubbed 'Hollywood North'**. It had become cheaper to make movies in Toronto than in Hollywood.

In **1994**, **Jean Chretien**, as leader of the **Liberal Party** was elected as Prime Minister on the promise to renegotiate NAFTA.

He delivered on his promise when he and Bill Clinton created separate deals to address the labour and environmental aspects of the agreement.

So here is the picture in a nutshell:

1854 (a reciprocity treaty was signed with the British North American Colonies)

1866 (treaty cancelled)

1867 (an attempt was made to reinstate the treaty by Sir John A but it failed)

1911 (Reciprocity Agreement was used as political fodder in the elections which the Conservatives won)

1935 to 1980 (bilateral agreements)

1960 (auto deal)

1975-1985 (assessments were made by various Senate Committees)

1984 (Trade with the US was again used as election fodder in favour of a Conservatives win)

1994 (Trade with the US was again used as election fodder in favour of the Liberals)

This information is not hidden. One click of your mouse can result in oodles of information in the information saturated culture in which we live.

So what have I learnt from all this? That from 1852 to 2018, **VERY LITTLE** has changed with respect to a tenuous, fractious relationship on trade between Canada and the US... one that is based on fear and suspicion.

Even with technological advances, better tools of communication, access to information on the internet, and a highly educated set of civil governors, **VERY LITTLE** have changed.

WHAT has stayed the same? Man's deceitful heart. Rulers have obfuscated, manipulated, deceived, and rode to power on the goodwill of the people they are supposed to serve.

We need leaders like Solomon who prayed for a heart of wisdom in 1 Kings 3:3-9.

What Can You Do?

First: Pray. Better yet, pray and fast... that God will raise up men of regenerate hearts who will lead both countries with the fear of God and not the fear of man.

Second: Study history. Listen to our Blogcasts. Read our History Bites. Keep informed. If you don't know your history you are doomed to make the same mistakes of the past.

Third: Encourage your sons and daughters to be **children of Issachar (1 Chronicles 12:32)** and to study HOW God's Law can still be applied to ALL of life especially in civil government.

Fourth: Become politically savvy by reading information and supporting organizations like ARPA (<https://arpacanada.ca/>) and the CHP (<https://www.chp.ca/>) who are explicitly Christian and profess the desire to both raise up Christian leaders and rule to with righteousness.

Fifth: Share this information on your social media feed. Educate the public.

Remember, "Righteousness exalts a nation but sin (obfuscation, manipulation, deceit) is a reproach to any people." Prov. 14:34