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## **7 Ways to Solve US Border Problems**

by Earl H. Fry  
January, 2014





# Policy Update

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**S**eptember 11, 2001 was a terrible day in US history with almost 3,000 people from 80 different countries perishing as a result of terrorist acts on American soil. Unfortunately, Washington's reaction to the events of that day has left much to be desired. Over the ensuing decade, America went abroad in search of dragons to slay, and at home it turned inward and adopted a Fortress America mentality. The defence budget swelled by 218% between fiscal year 2001 and 2013, the intelligence budget by 267%, and over a half trillion dollars has been poured into "homeland security."

The welcome mat was withdrawn for many potential foreign visitors with the US share of the trillion-dollar global tourism industry declining by almost one-third over the past decade. Fiscal discipline was thrown out the window and net job creation in the private sector was nil for several years. The US share of global production, measured in nominal US dollars, also plummeted by an astounding 32% between 2000 and 2012.

US borders with Canada and Mexico were thickened dramatically, resulting in a long-term negative effect on the cross-border movement of goods and people. The North American Free Trade Area (NAFTA) has been weakened substantially as Washington adopted the mantra "security trumps trade."

It is time to cast off the post-9/11 era of malaise and suspicion and begin to restore the overall economic competitiveness of the North American continent as its business community competes against counterparts across the Atlantic and the Pacific and within our own Western hemisphere.

### 7 Basic Solutions

First, Americans need to cast off stereotyped images of Canada as a peaceful Sleepy Hollow and Mexico as the new Tombstone. Both countries are much more dynamic and progressive than many Americans realize. Since the beginning of the new century, the Canadian economy has grown more robustly than its US neighbour and ranks with Australia as the fastest growing economies among the major Western developed countries (using the PPP index). Recently, Mexico has grown more rapidly than either the US or Canada and millions of people have been added to its middle class. Within the next few years, Mexico should become one of the ten largest economies in the world.

Second, dismantle the Department of Homeland Security (DHS) and create a much more appropriate lean-and-mean coordination group that understands security also encompasses economic growth and prosperity. In a panic to show that it could do something constructive after 9/11, Congress created DHS which has morphed into a bureaucratic monstrosity with 240,000 employees and annual expenditures of almost 60 billion dollars. It has layers upon layers of bureaucracy and it struggles to do anything of importance in real time. When one local supervisor set free a slew of suspected illegal immigrants, the DHS Secretary could honestly say that she knew nothing about it. The big problem on 9/11 was the lack of coordination between the CIA and its overseas intelligence operations, and the FBI and its domestic surveillance activities. DHS is not even remotely related to this CIA-FBI conundrum. Abolish it!

Third, as the Canadian Council of Chief Executives and the US Chamber of Commerce have recommended, create world-class ports-of-entry that facilitate, and not hamper, the rapid movement of goods and people. A mere 13 ports-of-entry handle 85% of the total value of goods crossing the two borders. Start with these and streamline the entry process, including pre-



clearance of most major shipments away from the borders. End the multi-hour waits at the two borders that stifle commercial activity and act as a deterrent to the movement of tourists and business representatives.

Fourth, cease the massive build-up of US Border Patrol agents, especially along the northern frontier. Focus at the southern border on organized crime groups. Illegal immigration can largely be handled through the effective expansion of the E-Verify system within workplaces and the introduction of sophisticated bio-metric Social Security cards. In addition, demographics (smaller family sizes) and steady economic growth are already working to slow down the illegal entry of people at the southern border, with net inflows being close to zero since 2005.

Fifth, proceed at a fast pace to establish a self-sufficient North American energy sector. Developments in all three countries are very positive for the moment with oil and natural gas reserves increasing dramatically and Mexico heading toward much more efficient energy production. The Keystone XL pipeline should be approved immediately by the Obama administration and trilateral energy cooperation strengthened. Abundant and relatively cheap energy sources will help revive North America's manufacturing sector and create new jobs in all three countries, decreasing cross-border illegal immigration flows.

Sixth, go beyond a NAFTA-Plus. Create a customs union in North America (meaning common external tariffs). Do everything possible to enhance regional business supply chains. Not surprisingly, North American economic integration trails far behind Europe, but now even Asia has moved ahead of North America in regional economic ties. Remember that NAFTA has a larger GDP than the European Union and almost as many people, 470 million versus 506 million. Much more can be done to facilitate commercial operations on a continental basis without sacrificing national political sovereignty.

Finally, end the Fortress America mentality within Washington's Beltway. A recent GAO report highlights the billions of dollars of spending at the northern border since 9/11 and concludes that a measly one percent of that border is now secure. What a waste of money! Stop trying to replicate the Great Wall of China along the vast 5,500 mile frontier with Canada. Begin to rethink the massive expenditures at the southern border as America attempts to construct a Maginot-Line of fencing along a terrain stretching almost 2,000 miles.

Above all, the United States needs to turn outward and unleash its vast entrepreneurial and commercial prowess. Forging sensible cross-border ties with its only two neighbouring nations in the world would be a major step in the right direction.

## ► **About the Author**

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**Earl H. Fry** is Professor of Political Science and Endowed Professor of Canadian Studies at Brigham Young University. In 1995-96 Dr. Fry was Fulbright Visiting Professor at the University of Toronto. During the 2011-2012 academic year he held the Fulbright Bicentennial Chair in American Studies in Finland. His landmark book, *Lament for America*, was published in May 2010 by the University of Toronto Press. Among other things, Dr. Fry previously served as a Visiting Lecturer at the Sorbonne, Director of International Education and Canadian Studies at SUNY Plattsburgh, a Council on Foreign Relations International Affairs Fellow, and Special Assistant in the Office of the United States Trade Representative.



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CDFAI was created to address the ongoing discrepancy between what Canadians need to know about Canadian international activities and what they do know. Historically, Canadians tend to think of foreign policy – if they think of it at all – as a matter of trade and markets. They are unaware of the importance of Canada engaging diplomatically, militarily, and with international aid in the ongoing struggle to maintain a world that is friendly to the free flow of goods, services, people and ideas across borders and the spread of human rights. They are largely unaware of the connection between a prosperous and free Canada and a world of globalization and liberal internationalism.

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