Dear Fellow Albertans,

As many of you know, a group of people misleadingly named Alberta Prosperity have managed to include a question in the referendum, currently scheduled for October 19 of this year. The question used to be, before it was ruled illegal by the courts, whether "you agree that the province of Alberta should cease to be a part of Canada to become an independent state?" Now, to potentially avoid that constitutional ruling, the question has been rephrased as: "Should Alberta remain a province of Canada, or should the Government of Alberta commence the legal process required under the Canadian Constitution to hold a binding provincial referendum on whether or not Alberta should separate from Canada?"

Of course, there is no point whatsoever in a province such as Alberta simply leaving Canada and becoming a very small landlocked country within North America. This shows that the sub-text of this question is really whether Alberta should leave Canada and join the United States.

While I suspect the vast majority of Albertans will vote against this proposition, because the vast majority of them value Canada and identify as Canadians, it is nevertheless worthwhile to provide everyone some analysis of the consequences of this vote.

Canada exists, in a large part, because of the United States—we didn't want to be Americans. We wanted to do things differently. Better. And, by and large, we succeeded. Let me give you some statistics.

	Canada	United States
Health care – Maternal mortality	11.78/100,000	16.63/100,000
– Maternity leave	73 weeks	4-6 weeks[1]
– Life expectancy	80.03 years for males 84.29 for females	73.7 for males 79.1 for females
– Obesity	14.3%	30.6%
– neonatal mortality	3.41/100,000	3.44/100,000
– Cost	$6,319/person	$12,555/person
– Expenditure as percentage of GDP	12.33%	17.36%
– Health care system	Ranked 7th	Ranked 34th
Education – PISA scores for 15 year olds		
Maths	497	465
reading	507	504
Science	515	499
Firearm deaths	0.6/100,000	3.7 /100,000
Homicide rate	1.61/100,000	5.78/100,000
Incarceration rate	90/100,000	541/100,000

This isn't an accident. It depends in large part on the structure of government. Canada has a stable democratic government, the US does not. In 2020 the United States was categorized, like Tunisia and Slovenia, as a "Deficient Democracy". Canada, meanwhile, was 12 points ahead and, like our

[1] However, this is largely state and even employer specific. In many states maternity leave is simply an accumulation of sick leave and holiday time, for women who have those benefits. Federal laws allow for 12 weeks of unpaid leave, based on company size, but it does not guarantee continuation of health insurance.

European friends, obtained the highest ranking of "Working Democracy". The US has been put on a watch-list that identifies countries "currently experiencing a rapid decline in civic freedoms", and things have gotten even worse over the last few years. Thus, when the US is assessed again for democracy and for civil rights, its rankings will likely drop through the floor.

For a province that has a domestic separatist movement (no matter how small), Alberta has still done well because it is part of Canada. So, if we compare Alberta's numbers with the rest of Canada, this is what we get:

	Alberta	Canada as a whole
Health care – maternal deaths	11.7/100,000	11.78/100,000
Health care – Life expectancy	79.32 years for males 83.87 for females	80.03 years for males 84.29 for females
Health care – Child mortality	4.9/100,000	4.5/100,000
Health care – Cost	$6,319/person	$6,319/person
Education – PISA scores for 15 year olds		
Maths	510	497
reading	531	507
Science	533	515
Income, average median	$74,237	$72,000

If Alberta decides to leave Canada and then join the United States, it will leave a country in which it excelled in health, education and income, and become part of a failing democracy, with worse health and educational outcomes, increased costs and far higher risks of harm and imprisonment.

Albertans are as loyal to Canada as other Canadians, but the misleadingly named Alberta Prosperity is stirring up a small minority. While this is likely just a storm in a teacup, it is still instructive to consider what would happen if Alberta voted to leave joined the United States.

The first thing Albertans should know is that it cannot simply join as the 51st state. Even if the majority of people in Alberta clearly vote in favour of separation, and the Alberta government declares its independence, before Alberta can become the 51st state it first requires consent of the United States Congress.

Until Congress makes this decision, the best Alberta can hope for is to be an Unincorporated US Territory. This is not a theoretical problem: the US has five permanently inhabited territories, the largest of which is Puerto Rico, with a combined population of 3.62 million, all still waiting and hoping to join the Union. Alberta, with its population of 4.37 million, might also have to wait indefinitely. This would be very bad for Albertans because the United States Constitution does not fully apply to unincorporated territories. As a result, territories are not represented by Senators in the Senate or Representatives in the House. As a US territory, Albertans would have given up <u>all</u> of their democratic rights.

Before Congress can make this decision, there is a particular roadblock—any non-tax resolution passing the Senate requires the approval of 60% of the Senators just to be able to have a vote. This means that a vote in favour of Alberta statehood is unlikely to happen in the near future. Although

Alberta is more right-wing than most other Canadian provinces, to most Americans it looks like a communist state—free healthcare, good public education, and a progressive tax regime. In fact, only a short time ago it had a New Democratic government and may do so again. So, it is likely that the Republicans in Congress would worry about the lingering preference that Albertans had for free public health and education, while the Democrats would worry about some of the right-leaning politics of Albertans in the past. For the American states, there is no downside to keeping Alberta as a Territory.

Still, given that the Alberta Prosperity Party advocates a future in the most optimistic way possible, let us assume that somehow Albertans vote in favour of leaving Canada and joining the US, and that somehow the Americans then navigate their way through their arcane voting rules and Alberta becomes a state. This is when Albertans learn that while they have re-acquired their democratic rights, they have lost most of their political influence on the nation to which they belong.

As an American state, Alberta would have the right to elect two senators. In the US Senate, Alberta's two additional Senators would give Alberta the influence of 1.96% of the total Senate. Right now, as part of Canada, Alberta is represented by six Senators or 5.7% of the total Canadian Senate.

The same would be true in the US House of Representatives. Currently, Alberta has 37 out of 340 MPs, or 10.88%, of the Canadian House of Commons. The US House of Representatives is restricted by law to 340 representatives, which means that if Alberta became a US state, some states would have to sacrifice members to allow Alberta to be represented—something they may not be willing to do. Even then, based on the currently allowed membership, Alberta would only be entitled to five representatives— just 1.47% of the total.

In both the US Senate and the House of Representatives, Alberta would be an irrelevance.

Yet the misleadingly named Alberta Prosperity argue that Albertan-Americans would at least be richer. Really?!

According to Statistics Canada, the median income for Albertans was $74,237 CAND in 2023. In the US, it is $83,730 USD. So, even ignoring the conversion rate (because dollars in each country purchase goods in the same currency), Albertan-Americans would be richer. right?

No.

First, just considering the most obvious difference—health costs, Americans pay on average about $6,236 more than Canadians per year. That's average, and if you want better insurance the cost is higher. So, without even considering additional social costs like education or security, or the time Albertans would now have to spend negotiating with health insurers and filling out forms, the increase in income is largely offset by an increase in expenses.

You also have to consider many other factors that go into the cost of living and overall quality of life which is affected by the health and welfare of the country. In an analysis of happiness, the

World Happiness Report lists Canada as number 15, surrounded by Austria and Belgium, while the US is down at number 23, categorised along with Mexico and Uruguay.

Even if it is only about money, you also have to think about debt. Right now, Canada's national debt is $1,517 trillion, with a debt to GDP ratio of 95.36%. That means every individual owes about $30,894. The US owes $38.4 trillion, or 138.88% of the GDP and that means that every individual owes about $113,684. Giving up Canadian citizenship, and acquiring American citizenship, would mean acquiring an additional $82,790 worth of debt per person.

The debt situation is even worse than that. Most governments don't really mind deficits because if the money that is borrowed is used to grow the economy and if the growth is more than the cost of the deficit each year, then this is money well borrowed. Canada has traditionally kept its deficit below growth, although this was thrown off by the Covid crisis and may also be thrown off now by the Trump Tariff Attacks. But in the US, deficits are out of control and, because of their political system it may be impossible to bring the deficit under control. This year, for example, the US deficit will be 6% of the GDP, and the US economy is only projected to grow by 2.2% to 2.8%. This means that even on the best scenario of 2.8%, there will be a 3.2% increase of deficit over growth. Deficits in the US are projected for the foreseeable future. How long can that go on?

Connected to the financial issues in transferring Alberta sovereignty from Canada to the US, there is another interesting point. Right now, the basis of Alberta's wealth is its oil and gas reserves. These are primarily held by the Crown in right of Alberta in two ways. First, the Crown owns thousands of acres of land which include the mines and minerals (primarily oil and gas) underneath the land surface. Second, when land has been granted to private individuals the Crown has often retained the ownership of mines and minerals—including oil and gas. Thus, even though it no longer owns the surface the Crown often owns the mines and minerals underneath private land.

It is this ownership of mines and minerals—and the existence of oil and gas—that gives the Crown the right to grant leases to private oil and gas companies in exchange for royalties. The amount of revenue that the province receives each year from oil and gas revenues is almost as valuable, and sometimes more valuable, than all of the money received from income taxes.

The separation of Alberta from Canada, and the uniting of Alberta with the United States, would not affect the existence of the oil and gas in the province but it would affect the ownership structure because oil and gas is largely publicly owned.

Fortunately, because of some historical precedents, we know the consequences of separation on Crown property.

We know that when a territory separates or is ceded by the Crown, the Crown retains title to the property within the territory that it owned before the separation. This is what happened when the 13 American colonies revolted and declared independence in 1776. That revolution, in and of itself, did not result in a transfer of title to Crown land to US state authorities. Instead, it was not until 1783—six years later—that the English Crown agreed to relinquish all claims to property and territorial rights within the US.

In Alberta, while most of the land and most of the oil and gas is owned by the Crown in right of Alberta, the reference "in right of" refers to the political entity—the government elected under the Constitution—that provides advice to the Crown. These governments give rise to a political division, and thus we can refer to the Crown in right of Alberta, the Crown in right of Ontario or other provinces, and the Crown in right of Canada.

Once Alberta joins the US, the political entity, the "Crown in right of Alberta" ceases to exist. The government of the new American Territory would have no right to provide advice to require the Crown to act one way or another in relation to any matter, including lands and oil and gas reserves. Moreover, because it does not exist, payments of royalties to the Crown in right of Alberta cannot be made by the various oil and gas companies.

While every provincial and territorial jurisdiction in this country has an assembly that provides advice to the Crown, as a matter of constitutional law there is only one Crown. Thus, while the Crown in right of Alberta would cease to exist upon the province becoming a Territory of the United states, the Crown itself still exists—and still owns land and oil and gas in Alberta. That Crown is the Canadian Crown.

After a unilateral declaration of independence by Alberta, the Crown could, as in the 13 colonies example, agree to relinquish all of its right and title to the publicly owned land and publicly owned oil and gas in Alberta to the new Territory—but that would be extremely improbable. Unlike the British Crown in 1783, Canada is not separated from its property by an ocean and a month of transportation by sail. And, unlike the English Crown which acquired its property mainly by just showing up, the Crown in right of Canada would take the position that it originally purchased that land (and mines and minerals) either from the Hudson's Bay Company in 1868 or from the various First Nations tribes in treaties 6, 7 or 8.

Besides, there would be a strong financial incentive for Canada to try to keep this property, and because of the historic association between the Crown and First Nations tribes Canada would also have a moral obligation to keep title to Crown property and maintain treaty rights and obligations. The oil and gas companies could keep producing their product, but they would have to stop paying royalties to the Crown in right of Alberta—because it has ceased to exist—and instead pay royalties to the Crown in right of Canada.

In 1980 the government of Pierre Trudeau created the *National Energy Program*. This law sought to impose lower oil prices domestically, to support the Canadian economy from coast to coast to coast, and create an oil export charge to bring in additional revenue from foreign sales.

From the Alberta perspective, that law was seen as allowing the federal government to take property that rightfully belonged to the province. The law was hated in Alberta, and is still remembered and hated today.

If "Alberta Prosperity" has its way, Alberta will separate from the rest of the country. At that time, Canada will retain title to Alberta's oil and gas. The effect will be far, far greater than anything Pierre Trudeau sought to achieve. And, at the same time as losing title to that oil and gas, Albertans will have no democratic rights within a country with no public health care, with a much higher crime and incarceration rate, and with the highest national debt in the world.

Why on earth would anyone vote for that outcome?

Donald F. Bur
Crossfield, Alberta