



Political Boundaries are Irrelevant to Economic Interests August 27, 2010

Intro:

Do political boundaries have economic relevance? The discussion over “our” Potash Company in Saskatchewan has brought this question to a head this week.

Script:

Australian mining giant BHP Billiton’s pursuit of the Potash Corporation of Saskatchewan has brought the economic nationalists out of their crannies. Apparently foreign investment is a threat to our very identity.

This reminds me of a realisation I had shortly after moving to Canada in 2007. In my home town, Auckland International Airport was subject to a bid from the Canada Pension Plan.

Unfortunately, the New Zealand government blocked the bid after “political pressure,” as some of my smaller minded compatriots thought we would be emasculated as a country if the CPP bought some shares in “our” airport.

Most of the resentment of foreign investment stems from fear of the unknown. As a New Zealander who regularly flies through Auckland International and lives in Canada, I would have had no problem with Canadian ownership.

Ironically, my Dad had his own small pension plan based partly on Auckland International stocks. He lost out when the deal was blocked.

Canadian Pensioners were eventually compensated for the time wasted pursuing the deal, but they then had to pursue other “second choice” investments.

Auckland Airport passengers lost, investors like my Dad lost, the CPP lost.

The only people who won were the small minded people who think nationalism trumps other people’s freedom; let’s not make the same mistake with Potash Corp.

That was this week’s Frontier Centre radio commentary. For more from the Frontier of public policy, visit our website at www.fcpp.org.

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