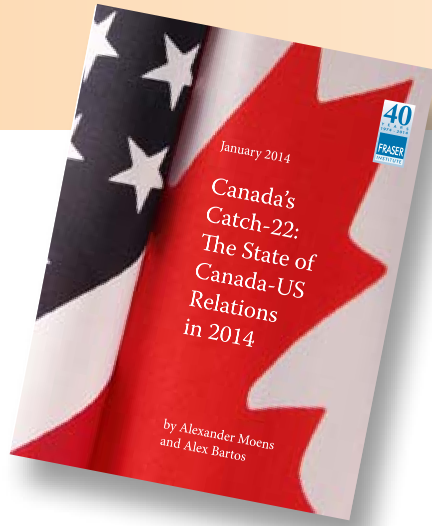
HOT TOPICS!



Canada's Catch-22: The State of Canada-US Relations in 2014

Economic and political relations between Canada and the United States, our most important foreign relationship, have worsened since the Fraser Institute's previous report on the state of Canada-US relations, *Skating on Thin Ice* (Moens, 2010). Canadian merchandise exports to the United States have weakened in relative terms. At the same time, there is not enough Canadian export diversification to other destinations to make up this relative loss.

While Canadians are selling relatively less to the US than they buy from the US, they are also not selling substantially more to the rest of the world. In other words, Canada's record for diversifying its trade from the US is modest over the last five years. The conclusion of the Comprehensive Economic and Trade Agreement (CETA) with the European Union offers a small trade effect for Canada and also promises an important advance in lowering certain regulatory barriers to trade.

Read the study HERE


Fraser Alert

Corporate Income Taxes—
Who Pays?

Corporate Income Taxes—Who Pays?

Whenever governments are strapped for cash—which is most of them, most of the time, given their voracious appetite for spending—eyes quickly turn to corporate income taxes as an expedient and presumed painless way to help balance their books. In Canada, two provinces raised corporate tax rates in 2013. Opposition leader Thomas Mulcair proposes to raise the federal corporate income tax from 15% to 22% while freezing personal income-tax rates, an implicit recognition that Canadians have reached the limits of the tax burden they are willing to tolerate. The erroneous thinking behind raising corporate income taxes, however, is that corporations and not people bear their burden.

Read the study HERE