"THE AMERO" A United Currency for North America

Kerri Nyman

With the introduction of a uniform currency for European nations in recent years, the debate for a similar North American monetary union has been hotly contested. Hailed by some scholars as necessary, and by others as foolish, it is proposed that the "Amero" would become the sole monetary unit in the area encompassing the United States, Canada, and Mexico. Historically, monetary unions can be dated back to Ancient Greece[1] but more recognizably after the period encompassing the industrial revolution[2]. At present, the European Monetary Union (EMU) ranks as one of the most widely recognized and respected coalitions of our time. While observing Europe's progress at implementing the EMU, countries around the world have had the luxury of learning and discovering ways to improve this revolutionary concept. From the organization and management of power struggles to the careful planning of monetary and exchange rate policies, the EMU stands as a prime case study for North America. By substituting Canadian and American policy and figures into the framework designed by the EMU, the feasibility of creating a monetary union in North America can be determined.

Organization

In 1992, the Maastricht Treaty led to the creation of the European Union (EU), and further laid boundaries and guidelines for the introduction of a unified currency system. Twelve countries of the European community were involved in revising the original three Treaties (Paris, Rome and Single European Act), and today the membership of the European Union has grown to twenty-five. To date only twelve of the member countries have joined the monetary union. The ten newest countries have yet to be admitted to the EMU, and three countries have abstained: Britain, Denmark, and Sweden. Based on the foundations of community, foreign policy, and judicial cooperation[3], the Euro has been introduced in progressive stages, the most recent being in 2002. It was at this time that the national currencies of the respective EMU members were officially abolished and replaced by the Euro. In order to become a member of the EMU, strict economic restrictions were placed on candidate countries to ensure the stability of the new union. The requirements for entry included:

> Price stability, as shown by an inflation rate no greater than 1.5% above the average rate of the best three countries. The leading nations in 1997 were Austria, France, and Ireland, averaging 1.2%, thus requiring an inflation rate of no more than 2.7% (see Appendix 1).

Fiscal carelessness cannot exceed 3% for the ratio of deficit to GDP or 60% for the ratio of debt to GDP. These requirements seem to have been relaxed quite a bit in recent years as the debt to GDP ratio of several member countries is nearing 100% (see Appendix 2).

Exchange rate stability within the margins established by the European Monetary System for at least two years.

Long-term interest rate levels must not exceed 2% over the top three countries. France and the Netherlands led EMU members in 1997 at a rate of 5.5%

These economic restrictions forced certain countries to tighten their fiscal policy to meet the demands laid down by the Treaty. Greece was the last country to qualify, officially being made a member in 2001.

Using the latest statistics, it can be determined that not one of the three North American economies would qualify for Amero status under the same restrictions used to create a monetary union here. The U.S. and Canada are both lacking in their debt to GDP ratio at 62.3% and 77% respectively, and Mexico is experiencing an inflation rate of 4.5%, which is over 2% higher than the U.S.[i]. If a comparative analysis was done, and restricted to within the North American borders, how would the US, Canada and Mexico stack up?

Currently the United States dominates North America in almost every category I compared (see Appendix 4). Not only does the U.S. have the largest population, but they also have the highest GDP, GDP per capita, as well as GDP growth, along with the lowest inflation rate among the three countries. In comparison, Canada ranks first in only two categories, the highest Current Account surplus, and the highest investment as a percentage of GDP. Mexico leads in just one – having the lowest debt to GDP ratio. So while it is apparent that the U.S. is leading the North American economy, several interesting observations can be noted. First, with Canada investing the greatest percentage of GDP it is apparent an attempt is being made to increase future growth in the economy. Secondly, Mexico presently has a 23.1% debt to GDP ratio – leading North America by a large margin and showing its ability to finance and raise capital within its own borders. Finally, the most important aspect of my analysis seems to be that the American economy has at present a Current Account deficit of $541.8 billion, or 5% of their GDP. Not only is this an alarming figure but also it is apparent there is the potential for serious economic problems if this is not corrected. It can be argued that holding such a large deficit shows a lack of production to meet the country's own needs, something quite surprising for a nation that leads the world in technological advances. In this analysis it seems each country has their own strengths and weaknesses, but yet none meet the guidelines that the EMU set when creating the criteria for membership. North America would have the opportunity to use its own limits, but since there are only three potential countries, doing so could alienate some candidates. Fortunately for the European Union, most countries wanted to join and strived to meet these standards.

The work undertaken to develop the EMU was incredibly complex. Behind closed doors, attempting to organize twelve sovereign nations into one group must have been a logistical and political nightmare. Each of these countries has their own fiscal and monetary policies that need to be combined into one solitary union sharing equal power and a set of joint policies. To most this might have seemed overwhelming, if not impossible. Given the obvious variety of economic situations as depicted in Appendix 1, the statistics themselves reveal the structural complexity and amount of organization the EMU took. In order to circumvent the predictable power struggles that could occur, and avoid the complete removal of an individual country's voice on policy making, each national bank was allocated one seat on the governing council[5]. Joined by six board members of the ECB (European Central Bank) these eighteen seats dictate the ongoing affairs of the European System of Central Banks (ESCB). In order to remain independent and maintain credibility in the eyes of the global spectrum, ESCB policy requires any concerns addressed by political governments to be dismissed no matter how valid or pertinent they may be[6]. The success of the EMU structure therefore lies in its equal representation and political individuality – to prevent the use of strong-arm tactics to gain favourable treatment. As will be shown in a moment, these same reasons are precisely why the Amero will never work in the North American economy.

While the EU fits together comparatively in terms of demographics and economic situations, North America consists of three largely independent, diverse, and unique countries. Of these three countries, The United States is at present the world's superpower. The imbalance in the North American economy sees the U.S. representing more than 85% of the continental GDP (Appendix 5). In the European Union, Germany is the strongest country in terms of GDP, accounting for around one-third of the total in 2000[7] and just 20.5% in 2003 (Appendix 3). The obvious disproportional representation that exists in North America does not compare with the more balanced structure of the EU. Despite the voting structure falling under a one country, one vote system for most issues, other more pertinent matters are weighted on the balance of population[8]. Having 64.6% of GDP shared amongst four dominant countries in the EU does not affect voting as power as it is shared equally amongst all EMU countries. The United Kingdom accounts for 15% of EU GDP but has yet to accept the Euro as its currency. Additionally, with the majority of GDP spread amongst several countries rather than just one, pressure to conform to the goals of one particular country is not as much of an issue as would be the case in North America.

In order to achieve a monetary alliance within the framework of the EMU, the United States would have to be willing to sacrifice essentially as much as two-thirds of their power when following a one country, one vote system. At times of more important decisions, the U.S. would find itself with 68% of the population, and therefore 68% of the voting power. However, contacted several years ago about the possibility of creating a unified currency, Alan Greenspan, the current Federal Reserve Board Chairman equivocally stated that Canada would have no say in any policy[9].

As the American equivalent of the EMU, the Federal Reserve Board regulates and ensures the stability of the American financial system. Comprised of 12 delegate members from distinct geographic areas within the United States, each region is given a voice towards monetary policy to create fair due process across the country. Judging by Greenspan's comments and the economic size of the U.S., it is apparent that the only possible solution would be for the Bank of Canada and the Banco de México to join the ranks of the Federal Reserve. Therefore it appears Canada and Mexico would have to join into one of the representative areas of the Federal Reserve, or more scandalously, have the Canadian provinces and Mexican states join the U.S. Not only is this unreasonable, but it violates every nationalistic pretence of a country.

It has been stated by many researchers like Helleiner [2002] and Engelmann et al. [1997] that national identity often rests on the iconic currency of its respective country. With the European's creation of a single currency it was expected to forge a community structure as was stated in one of the Treaty pillars. While this structure can be found to a certain extent today in European nations, its rejection is also evident. Of the three countries that have yet to adopt the Euro, the U.K., Denmark, and Sweden, nationalism rings particularly true.

In Britain, many nationalists – including strong supporters of economic liberalism – portray the euro as a challenge to the British identity on the grounds that a national currency is central to a nation's sense of sovereignty[10].

If someone was to challenge the notion of an individual nation's pride, he only needs to look at the bonding effect, or lack of it, that a monetary union would place on cooperating countries. As one of the pillars of the Maastricht Treaty, community, and conversely, culture have been lacking dismally in the countries joined together by the Euro. Thus far, currency and policy are the only bonds that have been forged among nations. Unfortunately, multiple language barriers exist, and the culture shock between each country is said to be great[11]. Linguistically, English may join the U.S. and Canada, but it also leaves out Québec, and more importantly, Mexico.

Further, to presume that Canadians would gleefully give up their national currency for the U.S. dollar, and also accept even closer ties with the U.S., is an illogical assumption. In 2004, a survey conducted in Canada by Ispos-Reid showed that an overwhelming 61% of Canadians feel that the strength of the relationship between Canada and the U.S. is either already too closely bonded or feel that the degree of separation in the relationship is just right[12]. Acceptance of a unitary currency would create an even greater attachment with our neighbours to the south – the exact opposite of what Canadians seem to want. If social barriers in the EU are still resilient despite many years of history and culture within a relatively small geographical area, how is it possible to conclude that North America could create a bond that Europe cannot?

Monetary and Exchange Rate Policy

Thus far the structure of representation in ESCB voting has been discussed; however, the actual nature of the Board's policy has not. Prior to the creation of the Euro, the prominent bank on the continent was that of Germany, the Bundesbank in Frankfurt. As a system of monetary policy, the Bundesbank tied any action taken to the maintenance of price stability[13]. Stable prices represent more reliable information, evoking consumer confidence and allowing society to base economic decisions on factual data. Price stability also harkens back to the cohesion of society as it stabilizes inflation and maintains a proper balance of wealth when aligned with fiscal policy. Uncertainty is reduced in such a system, creating a powerful economic structure. Ahead of the introduction of the Euro, there was no dominant European currency that stood out to the rest of the world. Now that the policy of the ESCB controls nearly all of Europe, the Euro has found itself as one of the three most powerful world currencies, along with the Japanese Yen and the American Dollar.

In 1998 the installation of fixed exchange rates occurred, representing the permanent pegged rate for each country (see Appendix 6). However, while each country's exchange rate was fixed to that of the Euro, the Euro itself did not fasten to the ECU basket until December of that year. In the six years since its inception, the Euro has ranged from $1.16740U.S. (interbank rate) to $1.35690U.S. In terms of the Japanese Yen, the Euro has risen from 132.6240¥ to 135.220¥ over this same period of time. From these rates, it is obvious that the European economy is gaining on the rest of the world. The free flow of capital and labour through the continent has redistributed factors of production, allowing for greater productivity among member countries. Increased price transparency allows consumers to see differences in price amongst nations and maintains fairness in pricing tactics. Additionally, the removal of competition barriers between countries has increased bilateral investment and strengthened the economy of Europe as a whole.

In North America, the creation of NAFTA in 1994 removed many barriers to trade and created the most powerful trading block in the world. However, to this day the flow of capital and, more importantly, labour remains under guard. The floating exchange rate system currently in place affects both spending as well as demand in the economy. The lack of transparency in pricing relative to our neighbour country leads to a more volatile market and detracts from the lucrative position of maintaining a sovereign currency. While aligning our currency with the U.S. would create a more stable environment for the Canadian economy to grow, any such alignment at this time seems improbable.

In 1999 Herbert Grubel, of the Fraser Institute, authored "The Case for the Amero" where he examined the benefits of a unilateral currency system. Had the Canadian government taken his advice at that time and actively pursued this system, the Canadian dollar would have found itself undervalued by over $0.18US or 27.6%[14]. Depreciation of the Canadian dollar during the late 1990s left the exchange rate at $1 CDN = $0.6534 US on January 1, 1999. The closing rate on January 1, 2005 was $1 CDN = $0.8339. Now, in hindsight, it seems fortunate that Canada did not proceed with any such talks. At the same time it remains to be seen if Canada will continue to maintain its increasing global presence, as the American dollar continues on its downward trend.

Other pro Amero scholars include Courchene of Queen's University in Kingston and Harris of Simon Fraser University in British Columbia. Together they authored the 1999 article "From Fixing to Monetary Union: Options for North American Currency Integration." In justification for the unified currency, Courchene and Harris make the argument that the floating exchange rate has seen its days numbered. "Floating rates make real exchange rates more volatile, do not appear to offer effective buffers against external shocks, and can result in prolonged currency misalignments, as the current period of pronounced weakness relative to the US dollar demonstrates[15]". Even as the case of prolonged misalignment may be true, the increased appearance of the Canadian dollar in recent months signals a return. Fixing our exchange rate is simply a matter of timing. Fixing it too low will only prove to devalue our currency and stunt economic growth. When should the currency be pegged? That is a guessing game that Canada cannot afford to enter.

While there are several scholars who wholeheartedly support the unified monetary system, there are also several economists who strongly protest. John McCallum is one such person. As the senior Vice-President and Chief Economist of Royal Bank, McCallum points out that the "European Union model, in which independent states share decision-making and sovereignty, is alien to American thinking and American history[16]. Further, McCallum goes to discredit the claims that Canada is in need of a pegged exchange rate system by pointing out that in 1999 not one OECD (Organization for Economic Co-operation and Development) country had such a structure in place (see Appendix 7). Pegging a nation's currency leaves it at the mercy of the rest of the world, as well as the economic policy of the lead country. As has been seen lately, both natural and man-made events can change a country's economic outlook in a matter of moments. Fixing the exchange rate of a developed nation in today's society is inviting disaster.

Conclusion

The impact of the Euro is difficult to quantify on a global scale, yet on a local scale, the impact is tremendous. Since the beginning of the Euro's reign over Europe, its value alone has increased 16.2% over the American dollar[17]. Over this same period, the Canadian dollar has jumped 27.6% over its neighbour to the south. It would be easy to conclude that the American currency is losing ground to foreign countries, yet as the evidence seems to suggest, the U.S. remains the most powerful economy in the world today. With a GDP of $10.99 trillion in 2003 (see Appendix 4) the U.S. retains authoritative control in terms of global output, and in return receives more political clout. Aligning Canada with such a powerful country seems advantageous, but there are more detriments than benefits. Politically, America will not give up power and allow another country to alter U.S. monetary policy. If Canada and Mexico were to join into a monetary league there would be no say in policy control for either country. The EMU is successful because of equal representation. With such imbalance occurring in North America, a monetary union will never work. Socially, Americans and Canadians have been unofficially at odds for years. Canada's more liberal attitudes tend clash with right-wing American views. Trade disputes and political power struggles are commonplace for the so-called 'friendly neighbours.' If both countries can shed their political overcoats, and meet halfway in a fair and beneficial arrangement, it could in essence create the world's most powerful monetary union. It seems as though only time will tell.

APPENDIX 1

1998 Values for Determining Entry into European Monetary Union

Country (Shaded countries not part of EMU)	Inflation HICP (a) Jan. 1998	Government Budgetary Position Deficit [% of GDP] 1997	Debt [% of GDP] 1997	Exchange Rates ERM participation March 1998	Long term interest rates (d) Jan. 1998
Reference Value	2.7 (e)	3	60		7.8 (f)
Belgium	1.4	2.1	122.2	yes	5.7
Denmark	1.9	-0.7	65.1	yes	6.2
Germany	1.4	2.7	61.3	yes	5.6
Greece	5.2	4.0	108.7	yes (h)	9.8 (i)
Spain	1.8	2.6	68.8	yes	6.3
France	1.2	3.0	58.0	yes	5.5
Ireland	1.2	-0.9	66.3	yes	6.2
Italy	1.8	2.7	121.6	yes (j)	6.7
Luxembourg	1.4	-1.7	6.7	yes	5.6
Netherlands	1.8	1.4	72.1	yes	5.5
Austria	1.1	2.5	66.1	yes	5.6
Portugal	1.8	2.5	62.0	yes	6.2
Finland	1.3	0.9	55.8	yes (k)	5.9
Sweden	1.9	0.8	76.6	no	6.5
United Kingdom	1.8	1.9	53.4	no	7.0
Europe Average	1.6	2.4	72.1		6.1

Notes:
(a) Percentage change in arithmetic average of the latest 12 monthly harmonized indices of consumer prices (HICP) relative to the arithmetic average of the 12 HICP of the previous period.
(d) Average maturity 10 years; average of the last twelve months.
(e) Definition adopted: simple arithmetic average of the inflation rates of the three best-performing member countries in terms of price stability plus 1.5 percentage points.
(f) Definition adopted: simple arithmetic average of the 12-month average of interest rates of the three best-performing member countries in terms of price stability plus 2 percentage points.
(h) since March 1998
(i) Average of available data during the past 12 months.
(j) since November 1996.
(k) since October 1996.

Source: European Commission via Antweiler 2001, [WWW On-line] http://fx.sauder.ubc.ca/euro/

APPENDIX 2

Current Statistics for the European Union
note: Shaded countries not part of EMU

EU-15	Population	GDP (billions US$)	GDP/Capita	Inflation	Debt/GDP	Debt (billions US$)
Austria	8,174,762	$245.30	$30,000	1.4%	67.6%	$15.5
Belgium	10,348,276	$299.10	$29,100	1.6%	102.0%	$23.8
Denmark	5,413,392	$167.20	$31,100	2.1%	45.0%	$21.7
Finland	5,214,512	$142.20	$27,400	0.9%	48.7%	$30.0
France	60,424,213	$1,661.00	$27,600	2.1%	68.8%	NA
Germany	82,424,609	$2,271.00	$27,600	1.1%	64.2%	NA
Greece	10,647,529	$213.60	$20,000	3.6%	100.9%	$65.5
Ireland	3,969,558	$116.20	$29,600	3.5%	31.2%	$11.0
Italy	58,057,477	$1,550.00	$26,700	2.7%	106.4%	$868.5
Luxembourg	462,690	$25.01	$55,100	2.0%	NA	NA
Netherlands	16,318,199	$461.40	$28,600	2.1%	54.1%	NA
Portugal	10,524,145	$181.80	$18,000	3.3%	59.8%	$250.7
Spain	40,280,780	$885.50	$22,000	3.0%	62.7%	$718.4
Sweden	8,986,400	$238.30	$26,800	1.9%	51.8%	$66.5
United Kingdom	60,270,708	$1,666.00	$27,700	1.4%	51.0%	NA

EU-25	Population	GDP (billions US$)	GDP/Capita	Inflation	Debt/GDP	Debt (billions US$)
Cyprus	775,927	$14.82	$19,200	4.1%	62.3%	$8.9
Czech Republic	10,246,178	$161.10	$15,700	0.1%	29.7%	$28.0
Estonia	1,341,664	$17.35	$12,300	1.3%	7.4%	$7.0
Hungary	10,032,375	$139.80	$13,900	4.7%	57.0%	$42.4
Latvia	2,306,306	$23.90	$10,200	2.9%	14.4%	$6.8
Lithuania	3,607,899	$40.88	$11,400	-1.2%	23.6%	$7.7
Malta	396,851	$7.08	$17,700	0.4%	NA	$130.0
Poland	38,626,349	$427.10	$11,100	0.7%	47.4%	$86.8
Slovakia	5,423,567	$72.29	$13,300	8.6%	37.6%	$18.3
Slovenia	2,011,473	$36.82	$19,000	5.6%	31.9%	$11.3

Candidates	Population	GDP (billions US$)	GDP/Capita	Inflation	Debt/GDP	Debt (billions US$)
Bulgaria	7,517,973	$57.13	$7,600	2.3%	48.0%	$12.1
Croatia	4,496,869	$47.05	$10,600	1.8%	69.1%	$23.6
Romania	22,355,551	$155.00	$7,000	15.3%	25.5%	$18.3
Turkey	68,893,918	$458.20	$6,700	25.3%	78.7%	$147.3

Source: CIA 2004, [WWW On-line] http://www.cia.gov/cia/publications/factbook/index.html

APPENDIX 3

Percentage Statistics for the European Union
note: Shaded countries not part of EMU

EU-15	Population	GDP	Debt
Austria	2.1%	2.4%	0.4%
Belgium	2.7%	3.0%	1.2%
Denmark	1.4%	1.7%	1.1%
Finland	1.4%	1.4%	1.5%
France	15.8%	16.4%	NA
Germany	21.6%	22.4%	NA
Greece	2.8%	2.1%	3.2%
Ireland	1.0%	1.1%	0.5%
Italy	15.2%	15.3%	42.0%
Luxembourg	0.1%	0.2%	NA
Netherlands	4.3%	4.6%	NA
Portugal	2.8%	1.8%	12.1%
Spain	10.6%	8.7%	34.8%
Sweden	2.4%	2.4%	3.2%
United Kingdom	15.8%	16.5%	NA
EU TOTAL	381,517,250	$10,123.61*	$2,071.6*

* in billions of US$

Source: CIA 2004, [WWW On-line] http://www.cia.gov/cia/publications/factbook/index.html

APPENDIX 4

Current Statistics for North America

	Canada	Mexico	United States
Population	32,507,874	104,959,594	293,027,571
GDP (billions US$)	$958.70	$941.20	$10,990.00
GDP/Capita	$29,800	$9,000	$37,800
GDP Growth	1.7%	1.3%	3.1%
Inflation	2.8%	4.5%	2.3%
Debt/GDP	77.0%	23.1%	62.4%
Current Acct (billions US$)	$18.63	-$9.15	-$541.80
Invest/GDP	19.50%	19.30%	15.20%

Source: CIA 2004, [WWW On-line] http://www.cia.gov/cia/publications/factbook/index.html

APPENDIX 5

Percentage Statistics for North America

	Canada	Mexico	United States	Total
Population	7.6%	24.4%	68.0%	430,495,039
GDP (billions US$)	7.4%	7.3%	85.3%	$12,899.9

Source: CIA 2004, [WWW On-line] http://www.cia.gov/cia/publications/factbook/index.html

APPENDIX 6

Pegged Rates for the European Monetary Union

Country	**Currency**	**1 € =**
Austria	ATS	13.7603
Belgium	BEF	40.3399
Finland	FIM	5.94573
France	FRF	6.55957
Germany	DEM	1.95583
Greece	GRD	340.750
Ireland	IEP	0.787564
Italy	ITL	1936.27
Luxembourg	LUF	40.3399
Netherlands	NLG	2.20371
Spain	ESP	166.386
Portugal	PTE	200.482

Source: Antweiler 2001, [WWW On-line] http://fx.sauder.ubc.ca/euro/

APPENDIX 7

Currency Regimes of OECD Countries

	1991	1999
United States	FL	FL
Japan	FL	FL
Germany	C/WBP	MU
France	C/WBP	MU
Italy	C/WBP	MU
United Kingdom	C/WBP	FL
Canada	FL	FL
Australia	FL	FL
Austria	PEG	MU
Belgium	C/WBP	MU
Czech Rep.	PEG	FL
Denmark	C/WBP	C/WBP
Finland	PEG	MU
Greece	FL	C/WBP*
Hungary	PEG	C/WBP
Iceland	PEG	C/WBP
Ireland	C/WBP	MU
Korea	FL	FL
Luxembourg	C/WBP	MU
Mexico	FL	FL
Netherlands	C/WBP	MU
New Zealand	FL	FL
Norway	PEG	FL
Poland	FL	C/WBP
Portugal	C/WBP	MU
Spain	C/WBP	MU
Sweden	PEG	FL
Switzerland	FL	FL
Turkey	FL	C/WBP

* Greece joined MU officially in mid 1999

FL = Independent float
PEG = Conventional fixed peg
C/WBP = Crawling/Wide band peg
MU = Monetary Union

Source: McCallum 2000, p.2.

Bibliography

Antweiler, W. and PACIFIC Exchange Rate Service [WWW On-line]. (2001) The Euro. Available: http://fx.sauder.ubc.ca/euro/

Baldwin, Richard, and Giuseppe Bertola and Paul Seabright (Eds.). EMU: Assessing the Impact of the Euro. Oxford: Blackwell Publishing, 2003.

CGA. [WWW On-line]. (2000) CGA Magazine, November-December. Available: http://www.cga-canada.org/eng/magazine/nov-dec00/economy_e.htm

CIA. [WWW On-line]. (2004) World Fact Book. Available: http://www.cia.gov/cia/publications/factbook/index.html

Crow, John W. Excerpts from testimony to the Senate Committee on Banking Trade and Commerce.
Online: http://www.parl.gc.ca/infoparl/english/issue.htm?param=71&art=136.
Date Visited: October 18, 2004.

Courchene, Thomas J., and Richard G. Harris, "From Fixing to Monetary Union: Options for North American Currency Integration," C.D. Howe Institute Commentary, June 1999.

Crowley, Patrick M. (Ed.). Before and Beyond EMU: Historical lessons and future prospects. New York: Routledge, 2002.

CTV. [WWW On-line]. (2004) Canadians like U.S. but dislike Bush, poll finds. Available: http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/1083280732047_98/

De Grauwe, Paul. The Economics of Monetary Integration. New York: Oxford University Press, 1997.

De Vanssay, X. 'Monetary unions: a historical perspective,' Before and Beyond EMU: Historical lessons and future prospects (2002): 26-41.

Engelmann, Daniela, Hans-Joachim Knopf, Klaus Roscher, and Thomas Risse. 'Identity politics in the EU: the case of economic and monetary union', in Petri Minkkinen and Heikki Patomaki (Eds) The Politics of Economic and Monetary Union, Boston: Kluwer, 1997.

Grayboyes, R.F. 'The EMU: forerunners and durability', Economic Review (Fed. Reserve Bank of Richmond) July/August 1990: 8-17.

Grubel, Herbert G., "The Case for the Amero," The Fraser Institute Critical Issues Bulletin, 1999.

Helleiner, E. "One money, one people? Political identities and the euro," Before and Beyond EMU: Historical lessons and future prospects (2002): 183-202.

McCallum, J. "Engaging the Debate: Costs and benefits of a North American common currency," Current Analysis, April 2000.

Siklos, Pierre L. Money, Banking, and Financial Institutions: Canada in the Global Environment. Toronto: McGraw-Hill Ryerson Limited, 2001.

The New Global Economics: A Real-World Guide – European Integration [Video] 2003.

The Treaty of Maastricht or European Union 1992. [WWW On-line]. (2003) Available: http://www.historiasiglo20.org/europe/maastricht.htm

Von Furstenberg, George. Excerpts from a conference at Queen's University. Online: www.irpp.org/po/archive/sep00/vonfurst.pdf. Date visited: October 18, 2004.

Endnotes

1. Grayboyes 1990, p. 8.

2. de Vanssay 2002, p. 31.

3. The Treaty of Maastricht (1992) 2003, [WWW On-line] http://www.historiasiglo20.org/europe/maastricht.htm

4.CIA 2004, [WWW On-line] http://www.cia.gov/cia/publications/factbook/index.html

5. The New Global Economics: A Real-World Guide - European Integration [Video] 2003.

6. The New Global Economics: A Real-World Guide - European Integration [Video] 2003.

7. McCallum 2000, p. 2.

8. The New Global Economics: A Real-World Guide – European Integration [Video] 2003.

9. CGA 2000, [WWW On-line] http://www.cga-canada.org/eng/magazine/nov-dec00/economy_e.htm.

10. Helleiner 2002, p. 194.

11. The New Global Economics: A Real-World Guide - European Integration [Video] 2003.

12. CTV 2004, [WWW On-line] http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/1083280732047_98/
This telephone-based survey polled 946 randomly selected adult Canadians and accuracy is considered to be within 3.1 percentage points.

13. Antweiler 2001, [WWW On-line] http://fx.sauder.ubc.ca/euro/

14. (Jan. 1, 2005 US exchange rate – Jan. 1, 1999 rate)/Jan 1, 1999 rate = (0.8339-0.65340)/0.65340 = 0.278

15. Courchene 1999, p. 2.

16. McCallum 2000, p.2.

17. (Jan. 1, 2005 US exchange rate – Jan. 1, 1999 rate)/Jan 1, 1999 rate = (1.3569-1.1674/1.1674 = 0.162