control schemes, while giving no migration incentive to people who value the reduction in pollution, do provide such an incentive to those who do not value it. A similar incentive for migration can occur if benefits are received at one stage of a person's life cycle, but the bill is presented later in the life cycle. Publicly funded higher education provides one such example. Beneficiaries are subject to higher tax rates during their working lives, thereby creating an incentive for the highly skilled to migrate to other jurisdictions with relatively lower tax rates after they, and their children, have received their education. Interest payments on the national debt provide a second example. More mobile and highly skilled individuals could choose to migrate when faced with the eventual consequences of current high deficits in terms of higher taxes and/or reduced public services.

Migration incentives may also exist when a policy is provided in one country and not in the other (family allowances, for example). This increases the incentive to migrate for those who neither benefit from, nor value, the policy as much as the taxes they pay to finance it. At the same time, it reduces the migration incentive for those who value the service more than it costs them.

Political and Legal Forces

In the previous section, we dealt with harmonization pressures that result from the working of economic forces. In this section, we examine pressures created by U.S. political and legal measures aimed at preventing, or offsetting, the effects of certain Canadian policies that the United States perceives as undesirable. These U.S. measures can be separated broadly into two categories: unfair trade legislation and commercial policies.