

par or a minor (as opposed to normal) discount. This effort was led by local hotels. Two Idaho banks were exchanging Canadian funds at 25% instead of the official 35%.

Canadian business responses to the hemorrhage of Canadian dollars across the border have also been noteworthy: merchants all along the border have sponsored sales and used advertising that appealed directly, and without apparent shame, to the patriotism of Canadian shoppers. Another fascinating Canadian response has been at the corporate level, as some firms actually cross the border in search of shoppers. American retail giant Walmart, for instance, bought 122 Canadian Woolco stores in March, 1994 -- today Calgary alone has five new Walmarts. In January 1995, a Vancouver corporation bought two major Spokane shopping malls -- Northpointe and Ironwood -- for \$38 million, and another in the Seattle area for \$12 million. We find the notion of Canadians driving eight hours from Calgary to Spokane to shop in a Canadian-owned mall to be a powerful symbol of this entire free trade process.

Government reactions to these changes have proven to be scattered, weak and illogical -- perhaps not surprising, but remember that the FTA and NAFTA were government initiatives. As both the U.S. and Canadian governments seek ways to finance the improvement of border facilities for which free trade has created such a demand, some very unpopular plans have been suggested. Foremost among these was a recent Clinton administration proposal to create a "border crossing tax" of \$3.00 per car or \$1.50 per pedestrian for arriving Canadians or Americans returning from Canada. This tax was strongly opposed throughout the borderland region, once again suggesting a level of borderland common interest that has only recently emerged.