



FIT FOR GOV

🍁 A BRIEFING FOR CANADIANS WHO CAN READ A BALANCE SHEET 🍁

# Team *Canada.*

*The math of staying together — and the trap of being broken apart.*

**\$5,100**

PER CANADIAN, ANNUAL GDP GAIN  
FROM ONE STATUTE ALREADY PASSED

**\$150B**

FEDERAL DEBT AN INDEPENDENT  
ALBERTA INHERITS DAY ONE

**37 GW**

HYDRO-QUÉBEC CAPACITY  
THE U.S. AI BUILDOUT CANNOT MATCH

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*Each province alone is a vassal. Together, we are a peer.*

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**Jesse James**

Victoria, British Columbia

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**[fitforgov.com](http://fitforgov.com)**

# The Brief, in Three Beats.

*A man walks into your shop. He praises your daughter, insults your wife, says your store is part of his strip mall now, and offers your business partner a private loan to walk out the back door. Then he asks whether you've thought about taking dollars instead of loonies. That's the news of the last eighteen months, told straight.*

## **ONE — THE TRAP IS REAL, AND THE MATH IS IN HIS FAVOUR.**

An independent Alberta loses roughly **\$20 billion a year** in GDP from trade frictions alone (Tombe, University of Calgary), inherits a per-capita share of federal debt north of **\$30,000 a head**, walks into an oil-and-gas cleanup overhang estimated at **\$60 to \$260 billion**, and starts building an army, a navy, a coast guard, an intelligence service, a central bank and a passport system from zero. Quebec independence with a French-printed currency pegged to the U.S. dollar is the same trap in another language — once your peg is the greenback, the Federal Reserve sets your interest rates from Washington, and you take the commodity shock with no shock absorber.

## **TWO — TRUMP'S OUTREACH TO SEPARATISTS IS A DIVIDE-AND-CONQUER PLAY.**

A confirmed three-meeting track at the State Department with the Alberta Prosperity Project. Public musings about a **\$500 million transition loan and a one-for-one Canadian-to-U.S.-dollar swap**. Treasury Secretary Scott Bessent calling Alberta "a natural partner for the U.S." None of that is random. Each province alone is a vassal. Together we are a peer with the world's **fourth-largest oil reserves, third-largest cobalt reserves, all 34 critical minerals on the federal list, and a hydro fleet bigger than most countries.**

## **THREE — THE ALTERNATIVE IS NOT NOSTALGIA. IT IS A BUILD-OUT.**

Refine our own crude and capture the **30%-plus value gap** we currently hand to the U.S. Gulf Coast. Pipe and rail bitumen and LNG to **Prince Rupert** instead of Houston. Power **AI hyperscale data centres on Canadian soil** with Hydro-Québec's 37 GW and BC Hydro's 12 GW instead of selling raw electrons to New England at retail. Knock down the internal trade walls — Bill C-5, the One Canadian Economy Act, came into force **January 1, 2026** and is worth roughly **\$200 billion in GDP, about \$5,100 per Canadian**. Do that, and Canada stops being a price-taker and becomes the infrastructure floor under the modern compute economy.

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*This is not an argument that grievance is fake. Western alienation is real. Quebec's culture and language deserve protection. But grievance is not a plan, and a referendum is not an exit — it is the start of a negotiation in which the seceding province has the weakest hand at the table and the United States has its boots up on the desk.*



# It's Set. Here's How to See It.

Donald Trump has, by his own count and his Truth Social feed, called Canada the "51st state" so many times that the joke stopped being a joke around the second inauguration. His State Department has now held — by NBC News and Financial Times reporting, confirmed by Premier David Eby and Prime Minister Mark Carney — at least three meetings with leaders of the Alberta Prosperity Project.

Those meetings discussed, in the words of the separatist who attended, "a \$500 million transition loan" and a plan where "the U.S. agrees to take every Alberta citizen's Canadian dollar and then exchange it for one U.S. dollar." Treasury Secretary Scott Bessent went on Real America's Voice and said Alberta is "a natural partner for the U.S." with "great resources," and that if Canada won't let Alberta build a pipeline west, "we should let them come down into the U.S."

Meanwhile, in Quebec, the Parti Québécois under Paul St-Pierre Plamondon has been leading the polls for two years and promises a third sovereignty referendum during a first PQ mandate, with a provincial election scheduled for October 5, 2026.

## **Two pressure points. One pressure machine.**

The Prime Minister has read the room. In his special address at the World Economic Forum in Davos on January 20, 2026, Mark Carney warned that "if great powers abandon even the pretense of rules and values for the unhindered pursuit of their power and interests, the gains from 'transactionalism' will become harder to replicate. Hegemons cannot continually monetize their relationships." He called the moment "a rupture, not a transition" in the international order. The day after that speech, Trump rescinded Canada's invitation to his "Board of Peace." Two days after that, Bessent went on Real America's Voice.

*The American interest is to deal with Canada one province at a time, because a fragmented Canada is a price-taker on every commodity from heavy crude to potash to electricity to lumber, and a unified Canada is a price-maker. That is the entire game.*

You do not have to ascribe malice to see the pattern. You only have to ascribe interest. The Canadian interest is the inverse: stay together, refuse to be split, build the north-south dependencies into east-west and trans-Pacific dependencies, turn the rope around. Each province alone is a vassal. Together we are a peer.

And as of April 13, 2026, the federal government has the runway to act. Carney's Liberals secured a majority that night when Danielle Martin won University–Rosedale, with Doly Begum taking Scarborough Southwest and Tatiana Auguste taking Terrebonne — bringing the Liberal seat count to 174. The path to that majority

ran through five floor-crossings since November 2025 plus the three byelection wins. Whatever you make of the math, the result is the same: a government with a mandate through 2029 to build the spine.

*Do not walk into the trap.*

# The Country, on One Page.

*All figures most-recent available, early 2026. Official sources. No estimates dressed up as facts.*

## POPULATION — STATISTICS CANADA, JULY 2025

JURISDICTION	POPULATION	SHARE
Canada	41.7 M	100%
Ontario	16.0 M	38%
Quebec	8.7 M	21%
British Columbia	5.6 M	13%
Alberta	5.0 M	12%

## GDP AND FEDERAL DEBT — MARCH 2025 / 2024

INDICATOR	VALUE
Canada nominal GDP (2024)	\$3.1 trillion
Federal accumulated deficit (Mar 2025)	<b>\$1,266.5 B</b>
Federal debt as % of GDP	41.2%
Total federal liabilities (market value)	\$2.2 T
Consolidated general government gross debt (2024)	\$3.39 T
Per-capita general government gross debt (Q4 2025)	\$100,929

## DEFENCE AND THE NEW NATO PLEDGE

Canada hit NATO's 2% of GDP target for the first time since the early 1990s in fiscal year 2025-26, spending **\$63 billion**. NATO's new pledge target adopted at the 2025 Hague summit: **5% of GDP by 2035** (3.5% direct military, 1.5% defence-related).

## THE INTERNAL TRADE PRIZE ALREADY PASSED INTO LAW

The IMF (2019) found removing all internal trade barriers would raise Canada's GDP by 3.8% on goods alone; non-tariff barriers function like a 21% tariff. The 2022 Macdonald-Laurier Institute paper by Manucha and Tombe estimated full mutual recognition could expand Canada's economy by **4.4% to 7.9% in the long term** — **between \$110 billion and \$200 billion annually, or roughly \$2,900 to \$5,100 per Canadian**. The 7.9% upper bound is the prize; even the lower bound is transformational. Bill C-5, the One Canadian Economy Act, received Royal Assent June 26, 2025; in full force January 1, 2026.

## CRITICAL MINERALS — NATURAL RESOURCES CANADA / IEA / USGS 2025

Canada has all 34 minerals on its federal critical list. Top-five global producer in 10 of them: potash, niobium, uranium, palladium, tellurium, indium, aluminum, platinum, titanium, nickel. **6th-largest lithium reserves**,

**7th-largest nickel reserves, 3rd-largest cobalt reserves.** Lithium reserves alone could supply roughly half of cumulative global demand from 2030 to 2050.

# Alberta Walks. Dollarized. The Bill Comes Due.

*Premise: Alberta passes a referendum, negotiates secession under the framework of the 1998 Supreme Court Reference re Secession of Quebec, and adopts the U.S. dollar — either as a peg or as official currency, as separatist leaders have publicly proposed and as Trump officials have, by their own description, discussed.*

## The Trade Hit

Trevor Tombe at the University of Calgary — the most cited economist on Canadian fiscal federalism, and a member of the Alberta government's own AlbertaNext panel — has modelled this. Even a modest 5% increase in trade frictions with the rest of Canada lops **roughly 4% off Alberta's GDP**, about **\$20 billion a year**, or **\$3,900 per Albertan, every year, forever**. At an 8% non-tariff barrier — entirely realistic given how interprovincial trade actually works — the loss climbs to **\$30 billion a year, 6% of GDP**.

That is before the capital flight. Calgary Chamber of Commerce CEO Deborah Yedlin has already gone on the record: companies are reconsidering investment in Alberta because of the separatist conversation. ATCO CEO Nancy Southern has said Asian partners on a major hydrogen project will not make final investment decisions without certainty. Lennie Kaplan, formerly senior fiscal manager at Alberta Treasury Board, extrapolates Tombe's annual figure to **\$130 billion in lost economic activity over a decade**.

For comparison: the UK after Brexit lost 6–8% of GDP versus projected growth, foreign direct investment fell 37% from 2016 to 2022, and the UK had a major currency, ocean ports, and 67 million people. Alberta is landlocked, single-commodity, and 5 million.

## The Debt — Three Honest Ways to Slice It

When you leave a country, you take a share of its debt. There is no rule that says how to divide it. Pick the method that flatters Alberta most; it still hurts. Using the federal accumulated deficit of \$1,266.5 billion:

METHOD	SHARE	AMOUNT	PER ALBERTAN
By population	12%	~\$152 B	~\$30,400
By GDP share	~17%	~\$215 B	~\$43,000
Negotiated middle	—	~\$150 B	~\$30,000

That is roughly **\$30,000 of new sovereign debt per Albertan** on day one, before a single soldier has been hired.

# Building a Country From Zero

Alberta has no army, no navy, no air force, no coast guard, no intelligence service, no diplomatic corps, no central bank, no passport system, no border posts, no customs service, and no FX reserves. The Alberta Prosperity Project's own "fully costed plan" estimates **\$98 to \$107 billion in startup costs** — and most independent reviewers think that figure is light.

## THE DEFENCE MATH, PLAIN

The APP plan budgets \$3 to \$5 billion a year for an Alberta military. To meet NATO's old 2% target on a \$500 billion economy: **\$10 billion a year**. To meet NATO's new 5% Hague pledge: **\$25 billion a year — roughly the entire current Alberta provincial budget**.

Without NATO membership (which would take years of application even in the friendliest scenario) Alberta sits between Russia, China, and a Trump-led United States as an oil-rich landlocked petrostate with no Article 5 backstop.

# The Environmental Overhang

Here is the line item the separatist plans never put on the balance sheet. Alberta's official oil and gas closure liability — the cost of plugging dead wells, decommissioning facilities, and reclaiming land — runs anywhere from **\$36.6 billion** on the AER's own books to as much as **\$260 billion** in the regulator's leaked worst-case slide deck.

## SOURCE

## ESTIMATE

Alberta Energy Regulator (June 2024, official)	\$36.6 B
Alberta Auditor General	\$60 B
AER internal worst-case (leaked, 2018)	<b>\$260 B</b>
Industry security currently held against this liability	< \$295 M

In Confederation, this overhang is shared. Independent, it sits on Alberta alone. Add it to the debt share and you are looking at a new country whose first line item is **between \$186 billion and \$410 billion of obligations** before it has bought a single rifle.

# The Dollarization Trap

When Ecuador dollarized in 2000, it stopped hyperinflation. It also gave up its central bank. Its commodity-driven economy — oil and bananas — still rose and fell with global prices, but the government could no longer cut interest rates, devalue, or print to soften a downturn.

*Ecuador's public accounts and banking system remain vulnerable to commodity-price and natural shocks. Exchange-rate adjustment and monetary expansion are no longer available.*

— WORLD BANK, BECKERMAN, 2001

That is exactly Alberta's risk profile. Heavy crude is a commodity. The price of Western Canadian Select swings by tens of dollars a barrel on news from Venezuela, OPEC, or a single Houston refinery turnaround. In a sovereign Canada, a falling oil price weakens the loonie, which automatically softens the blow to Alberta producers and exporters. **That is Canada's monetary shock absorber, and it has been working — through the 2014 oil collapse, through COVID, through the 2025 tariff war.**

Dollarize Alberta and that shock absorber dies. The Federal Reserve sets rates for Houston, not Calgary. When American shale floods the market and WCS drops to \$30, an independent dollarized Alberta cannot devalue. It can only cut wages, cut services, or borrow more in a currency it does not print. Which is to say: it does what Greece had to do after 2010, but without the EU writing cheques.

The "one-for-one swap" Trump officials reportedly floated is the bait. Once the swap is done, you are a currency dependency. Benjamin Cohen at UC Santa Barbara, on Ecuador, called it bluntly: *"in effect, a currency dependency, a client of the United States."* That is the deal on offer, and it is the deal Trump wants — because clients negotiate from their knees.

## The Indigenous Reality

There is one more bill that does not appear in any APP slide.

Almost every productive acre of Alberta is covered by Treaty 6 (1876), Treaty 7 (1877), and Treaty 8 (1899) — agreements signed not with Alberta (which did not exist until 1905) but with the **Imperial Crown**. The oil sands sit on Treaty 6 and Treaty 8 land. On December 5, 2025, Court of King's Bench Justice Colin Feasby ruled — in a reference brought by Alberta's Chief Electoral Officer — that under the Citizen Initiative Act as it then stood, a citizen-initiated referendum on Alberta independence could not proceed because it would contravene Charter and Treaty rights. Feasby held that **the Numbered Treaties are legally binding on First Nations, Canada, and Alberta** and that converting provincial borders into international borders would significantly impair treaty rights. Intervenors included the Confederacy of Treaty No. 6 First Nations, Treaty 8 First Nations of Alberta, the Blood Tribe (Kainai), Siksika and Piikani Nations of the Blackfoot Confederacy, and others.

Feasby was careful in his own ruling to note the decision did not give First Nations a veto over Alberta independence, and did not preclude a separation referendum being held under amended legislation. The Smith government promptly introduced Bill 14 to amend the Act. On April 10, 2026, Justice Shaina Leonard granted a stay of certification of the Stay Free Alberta petition. The legal architecture is contested. The constitutional gravity is not.

*Our treaties are with the imperial crown, not with the province of Alberta.*

— GRAND CHIEF TREVOR MERCREDI, TREATY 8

Constitutional lawyers disagree about whether First Nations hold an outright veto. No serious lawyer disputes that any secession negotiation must include them as full parties. An independent Alberta inherits roughly **a third of its land base under unsettled or contested treaty claim**, plus the precedent set in *Yahey v. British Columbia* (Blueberry River First Nations, 2021) that cumulative resource development can violate treaty rights.

## The Pipeline That Runs Through Wisconsin

Then there's Line 5.

Enbridge Line 5 carries **540,000 barrels per day** from Superior, Wisconsin, through Michigan's Upper Peninsula, under the Straits of Mackinac, and into Sarnia, Ontario, where Line 9 picks up the load and takes it to refineries in Quebec. Michigan's Attorney General sued in 2019 to shut it down. The Bad River Band of Lake Superior Chippewa won a federal court order in 2023 requiring Enbridge to remove the line from their reservation by **June 16, 2026**. The Supreme Court ruled for Michigan on jurisdiction in April 2025. As of May 2026, Enbridge has filed motions to strike or extend the deadline pending completion of a 41-mile reroute around the reservation; the Bad River Band is opposing. The deadline remains formally in force pending the court's response.

In Confederation, Canada has standing under the 1977 Transit Pipelines Treaty, and the federal government has filed amicus briefs in support. An independent Alberta, on its own, with no diplomatic corps and no bilateral pipeline treaty inherited yet, watching the Bad River clock run out, has none of that. **It is a landlocked petrostate whose primary product flows by the grace of an American court system that is hostile to the carrier.**

### THE TOTAL PICTURE · INDEPENDENT DOLLARIZED ALBERTA

A \$500 billion economy that loses **4 to 6% of GDP** up front, takes on **\$150 billion in debt** and **\$200 billion in environmental obligations**, builds a state from zero for **\$100 billion**, faces a binding constitutional treaty exposure on its own oil sands, and runs its main export through a foreign judicial system that is actively trying to switch off the tap. Then it adopts the currency of the country negotiating against it.

**That is not independence. That is the 51st state without the senators.**

# Quebec Walks. French Currency, Pegged to USD. Same Trap.

*The standard Quebec separatist counter: "Quebec is different. We have language. We have culture. We have Hydro-Québec. We are not Alberta." All true. None of it changes the monetary math.*

Premise: a PQ government wins the October 2026 election, holds and wins a sovereignty referendum during its first mandate, and creates a new currency — call it the *piastre québécoise* — printed in French, with a maple leaf swapped for a fleur-de-lys. To stabilize it on global markets, the new central bank pegs it to the U.S. dollar. This is a perfectly normal small-country move. It is also a trap.

## Language Sovereignty Does Not Buy Monetary Sovereignty

A peg to the U.S. dollar means the Banque du Québec must hold enough USD reserves to defend it under any speculative attack, must raise interest rates whenever the Federal Reserve raises them (or watch capital flee), and must accept that the price of every imported good — including most of Quebec's machinery, vehicles, and consumer electronics — is set in Washington. **Print all the piastres you want; the moment you peg, you are dollarized in everything but the artwork.**

Argentina pegged to the dollar from 1991 to 2002. The peg held until it didn't, and when it broke, the country lost 28% of GDP in two years and 57% of households fell into poverty. That is the worst case. The best case — Panama, El Salvador, Ecuador — is permanent loss of monetary policy and a banking system that imports every U.S. credit cycle.

## The Debt and the Breakup Math

METHOD	SHARE	AMOUNT
By population	~21%	~\$266 B
By GDP	~20%	~\$253 B
Negotiated estimate	—	~\$260 B

Equalization stops on day one — **\$13.3 billion in equalization, \$11.5 billion in Canada Health Transfer, \$3.7 billion in Canada Social Transfer** — total roughly **\$28.5 billion** in fiscal 2024-25 (rising to ~\$29.3 billion in 2025-26 per Finance Canada), gone. Quebec's own provincial debt-to-GDP ratio (38%, second-highest in Canada) joins the federal share on the same balance sheet.

Add the build-out. Quebec at least has a real provincial bureaucracy, the Sûreté du Québec, and Revenu Québec, so its startup costs are lower than Alberta's. But it still needs an army, a navy, a coast guard for the St. Lawrence, an immigration and border service, an intelligence service, a foreign ministry, a central bank, and embassy infrastructure.

## The Indigenous Question, Again

Quebec has its own version of the Treaty 6/7/8 problem and it is, if anything, more constitutionally airtight.

The **James Bay and Northern Quebec Agreement of 1975** is a treaty protected by Section 35 of the Constitution Act, 1982. It cannot be altered without Cree and Inuit consent. In 1995, four days before the sovereignty referendum, the Grand Council of the Crees held its own referendum on whether the Cree would consent to being included in an independent Quebec.

### THE CREE REFERENDUM · 24 OCTOBER 1995

***96.3% No, on a 77% turnout.***

The Cree position, articulated then by Grand Chief Matthew Coon Come and reiterated since, is that they would remain in Canada — taking the territory of *Eeyou Istchee*, including most of the Hydro-Québec generating fleet, with them.

The geography matters. Hydro-Québec's largest stations — La Grande Complex, Manic-Outardes, Robert-Bourassa — sit on or adjacent to Cree and Inuit traditional territory governed by the JBNQA. Churchill Falls (5,428 MW) is in Labrador. **Independent Quebec might lose access — partially or entirely — to the very assets that supposedly make the project economically viable.**

## The Same Energy Artery Vulnerability

Quebec's refineries — the Suncor refinery in Montreal and the Valero Jean-Gaulin refinery in Lévis (265,000 bpd) — were retooled after 2013 to take western Canadian crude via Enbridge's Line 9 reversal. Line 9 is fed by Line 5. Same Michigan court fight. Same Bad River deadline.

Energy East, which would have brought western crude to Quebec via an all-Canadian route, was killed in 2017 by a Quebec-led regulatory campaign. That decision belongs to Quebec; it was a real exercise of provincial sovereignty within Confederation. But it means an independent Quebec inherits the consequence: **its refineries depend on a U.S. pipeline that an American court is actively trying to shut down.**

## The Same Trap, in French

Pegging the *piastre* to the USD does the same thing to Quebec it would do to Alberta. New England power exports are priced in USD. So is Hydro-Québec's debt. So is most of Quebec's manufacturing input. **The**

**Federal Reserve sets your rates.** Quebec's commodity exposure is smaller than Alberta's, but its vulnerability to U.S. policy is, if anything, larger because so much of its value-added economy — Bombardier, CGI, the aerospace cluster, the Bay Street back-office in Montreal — depends on cross-border supply chains that any small frictional tariff or border check chokes off.

Polling backs this up. Pallas Data and *The Walrus*, January 2026: **62% of Quebecers oppose holding a referendum at all in a PQ first mandate; only 32% favour.** Opposition has hardened — Pallas's April 2026 follow-up showed unfavourability at **71%**. Support for sovereignty itself sits at **32–35% post-Trump**, down from ~40% pre-Trump. Lucien Bouchard — the man who came within 54,288 votes of winning in 1995 — has publicly urged Plamondon to back off; PSPP himself has begun softening the framing.

*The Quebec people, in other words, are reading the same map this briefing is.*

# Dollarization Is Surrender. The Flag Doesn't Change That.

*Take the two scenarios and lay them next to each other. The differences are real. The bottom line is identical.*

	ALBERTA • USD	QUEBEC • PIASTRE/USD
Population	5.0 M	8.7 M
GDP	~\$500 B	~\$580 B
Debt share (mid)	~\$150 B	~\$260 B
Build-state cost	\$98-107 B	~\$60-80 B
Defence at NATO 2% / 5%	\$10 B / \$25 B	\$11 B / \$27 B
Annual GDP loss from frictions	\$20-30 B/yr	Comparable + CUSMA loss
Indigenous treaty exposure	Treaties 6, 7, 8, 10	JBNQA – hydro complex
Energy artery	Line 5 through MI	Line 5 through MI
Currency outcome	Direct U.S. dollar	Pegged to U.S. dollar
Effective monetary policy	<b>Set by Federal Reserve</b>	<b>Set by Federal Reserve</b>

*Once your money is American, the negotiations are American. Language sovereignty doesn't save you from monetary capture. Cultural sovereignty doesn't save you from a Houston refinery turnaround. Neither secession ends with a sovereign country. Both end with two new client states next door to a great power that has openly declared its intention to absorb them.*

That is not opinion. That is what Trump has said, in print, in interviews, with maps in the Oval Office, multiple times.

## Why Trump Wants This — Divide and Conquer Is Older Than the Republic

Read the receipts.

- **January 2025:** Trump assumes office; "51st state" rhetoric becomes daily.
- **February 2025:** tariffs of 25% threatened on Canadian goods; 10% on energy.
- **April 2025:** first State Department meeting with Alberta Prosperity Project leadership, by Financial Times reporting.
- **Summer 2025:** two more meetings; "Make Alberta Great Again" hats at Calgary rallies; the Alberta 51 Project billboards on Highway 2.
- **January 2026:** Treasury Secretary Bessent on Real America's Voice — Alberta is "a natural partner for the U.S."

- **February 2026:** NBC News confirms three meetings; State Department says no senior officials present and no commitments made.

This is the Trump playbook the world has now seen used on Greenland, the Panama Canal, NATO budget negotiations, and Mexico. **Apply pressure. Find the seam. Talk to the dissident faction. Offer the dissident faction a deal that cannot be matched by the mother country. Present the deal as kindness.** When the mother country protests, escalate the rhetoric. When the dissident faction takes the deal, claim victory.

# What Staying Together and Building Looks Like.

*Now the part too few unity briefings ever get to. Staying in Canada is not a defensive crouch. It is the necessary condition for a build-out that, on the other side, makes Canada richer than at any point in our history and gives us structural leverage over the United States.*

Three pillars. Each one is real, fundable, technically feasible inside this decade, and already being talked about by people in government and capital markets. Together they change the relationship.

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## Pillar One — Refine Our Own Crude

Canada produces ~5 million bpd of oil and refines about **1.93 million bpd**. The other 3-plus million bpd we ship raw, mostly heavy sour Western Canadian Select, mostly to the U.S. Gulf Coast, where American refineries — many of them retooled specifically for Canadian heavy — turn it into gasoline, diesel, jet fuel, asphalt, and petrochemical feedstock and sell those products at full international price.

The price gap is not a rounding error.

Western Canadian Select trades at a chronic discount to West Texas Intermediate. From 2008 to 2018 the average discount was about **US\$17 per barrel**. It hit **US\$50** in late 2018 when pipelines clogged. With the Trans Mountain Expansion in service it has narrowed to **US\$8 to \$13** through 2025, but it never closes. Once refined, the gap reverses: **a barrel of refined products is worth substantially more than the cost of the input crude plus the refining margin.**

### **BUILD TARGET • 800,000 BPD NEW REFINING CAPACITY**

Capital cost: **~\$40 to \$60 billion**, financed 30% federal/Indigenous equity, 70% Asian and Canadian institutional debt. Korean National Pension Service, Korea Investment Corporation, and the major Japanese trading houses have been deploying tens of billions into North American energy infrastructure since 2023. Bill C-5's Building Canada Act, in force since June 2025, was designed precisely to fast-track this kind of project.

Every barrel run through a Canadian refinery instead of a Texas one captures, conservatively, **\$20 to \$35 of additional value-added per barrel**. At full ramp, that is **\$6 to \$10 billion a year in retained GDP**, before counting jobs, tax, and royalty.

**That is the 30% we have been giving away. That is what going home looks like.**

## Pillar Two — Power Our Own Compute

The AI buildout is the largest infrastructure event of our lifetimes and the United States is running out of grid. Hard numbers. In 2024 the U.S. had about **25 GW of operating data-centre capacity**. Forecasts for 2030 cluster between 75 GW (Wood Mackenzie), 95 GW (industry consensus), 100 GW (Rystad), and **134 GW (S&P 451 Research)**. BloombergNEF, on December 1, 2025, raised its 2035 projection to 106 GW — a 36% upward revision from its April 2025 forecast — and called the queue "a once-in-a-generation industrial event." Goldman Sachs projects global data-centre power demand up **165% by 2030 versus 2023**.

*The constraint is not chips. It is electrons, transformers, and time.*

Wood Mackenzie: data centres will account for **68% of all U.S. electricity load growth through 2030**. Annual transformer demand will jump from ~1,500 units to **9,000+** by decade's end. PJM Interconnection projects: **eight years average wait** in the queue.

Now look north.

ASSET	CAPACITY	STATUS
Hydro-Québec	<b>37,370 MW</b>	Largely clean, dispatchable, surplus shoulder seasons
BC Hydro (Site C fully commissioned Aug 2025)	<b>~13,200 MW</b>	+5,100 GWh/yr from Site C; +5,000 GWh wind from 2031
Manitoba Hydro	5,500+ MW	Surplus available
NL Hydro (Churchill Falls)	5,428 MW	New 2024 contract with Quebec

This is the largest, cleanest, dispatchable power fleet in the Western Hemisphere — and we are exporting it raw, selling watt-hours instead of compute-hours, the same mistake we make with crude oil.

The math of the alternative is straightforward. A 1 GW hyperscale AI data centre purchases something on the order of **\$700 million to \$1 billion of electricity per year** at industrial rates and generates billions in compute revenue, attracts adjacent fibre, employs construction crews of thousands, and (most importantly) **anchors AI workloads on Canadian soil under Canadian privacy and security law**.

#### **BUILD TARGET · 10 GW OF CANADIAN AI COMPUTE BY 2030**

About 8% of the projected U.S. shortfall, at industrial Canadian power rates. **\$8 to \$10 billion a year in electricity revenue** — flowing back to provincial Crowns and ultimately to the public. **\$80 to \$120 billion in capex on Canadian soil** during construction. A permanent place at the table on the global compute economy.

## Pillar Three — The Fort McMurray to Prince Rupert Spine

This is the engineering project that takes Pillars One and Two and welds them to Asian markets.

Premier Danielle Smith, in May 2025, publicly asked Prime Minister Carney for a revival of **Northern Gateway 2.0**: a heavy-oil pipeline from the Alberta oil sands to **Prince Rupert, B.C.** Trans Mountain — operating since May 1, 2024 — has already proven that Asian buyers pay full international price. Multiple South Korean

refiners, including **GS Caltex (a Chevron joint venture) and SK Energy**, have taken TMX cargoes alongside Chinese, Japanese, Indian, and Brunei buyers. Shipping times to Asia are 17 to 18 days, **60% shorter than from the U.S. Gulf Coast.**

#### **WHAT A SERIOUS BUILD-OUT ADDS**

- An oil pipeline (Northern Gateway 2.0 or its successor) on the same right-of-way, with First Nations equity participation under the doubled **\$10 billion federal Indigenous Loan Guarantee Program.**
- A high-voltage DC transmission line to move surplus Manitoba and northern B.C. hydro to AI hyperscale clusters in Alberta and to coastal compute campuses.
- A standard-gauge rail upgrade on the CN main line for bitumen-by-rail flex, refined product, and critical-minerals concentrate.

Total cost of a serious Fort McMurray–Prince Rupert spine over the decade: somewhere in the **\$60 to \$100 billion** range, financeable on the same Asian sovereign-debt structure as the refineries.

*What it buys is the ability to sell Canadian energy and Canadian critical minerals to Asia at international prices, on Canadian terms, in Canadian dollars, with Indigenous co-ownership. That is the structural answer to Trump's tariff threats. That is the actual leverage.*

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## From Price-Takers to Price-Makers

Today, when a U.S. president threatens a tariff on Canadian energy, every Canadian premier ends up in Washington kissing the ring, because **96% of our oil exports go to one country** and most of our refined products come back from there. We are a price-taker because we built ourselves to be a price-taker.

In a Canada that has refined its own crude, that runs the AI compute layer for half a continent, that ships heavy oil and LNG and lithium concentrate out of Prince Rupert to Korean and Japanese and Indian buyers, that has a sovereign wealth seed (the federal "Canada Wealth Fund" Carney has floated), that has knocked down its internal trade walls and added the **\$200 billion Bill C-5 dividend** to the productive economy — in that Canada, an American tariff threat is a problem the U.S. industrial Midwest is going to lobby its own government against, because Houston refineries and Ohio data centres need what we sell.

**Structural leverage does not mean we get to bully the Americans. It means we stop being bullied by them.**

# Bill C-5 Is Already Doing the Work.

*Set aside the visionary stuff for a paragraph. Here is what is already happening.*

Prime Minister Mark Carney, the moment he took office, tabled the **One Canadian Economy Act (Bill C-5)**. It received Royal Assent on June 26, 2025, and came into force on January 1, 2026.

## **ONE — FREE TRADE AND LABOUR MOBILITY IN CANADA ACT**

Federal law now treats any good produced or service delivered to provincial/territorial standards as automatically meeting comparable federal standards for interprovincial movement. A nurse licensed in Saskatchewan can practise in Ontario without re-credentialing. A federally regulated good cleared in Quebec moves in Alberta without paperwork.

## **TWO — BUILDING CANADA ACT**

The federal Cabinet can designate "national interest projects" and fast-track them through what used to be ten years of overlapping regulatory review.

## **THREE — ALL 53 FEDERAL EXCEPTIONS IN THE CFTA, GONE**

As of June 30, 2025. The IMF's 2019 work, by Alvarez, Krznar, and Tombe, estimated this kind of liberalization is worth **3.8% of GDP on goods alone**, with non-tariff barriers acting like a 21% effective tariff (40%+ in some service sectors). Macdonald-Laurier Institute (2022) put the full prize at **4.4% to 7.9% of GDP — \$110 to \$200 billion annually, or \$2,900 to \$5,100 per Canadian.**

## **THE NUMBER THAT BELONGS ON THE FRIDGE**

Five thousand one hundred dollars per Canadian, in retained GDP, every year, from a single statute that already passed.

That is bigger than every federal cheque most families have ever received. It is bigger than the entire Alberta–Ottawa fiscal dispute. It is bigger than the equalization fight. **And we got it without breaking up the country.**

Anyone who says "Canada doesn't work" needs to be handed the C-5 number.

## The Honest Caveats

This briefing does not pretend to perfect knowledge. The numbers carry stated assumptions. The major caveats:

- The **\$260 billion Alberta liability number** is the AER's own internal worst-case slide, not a validated figure. The AER's official validated number is roughly **\$36 to \$60 billion**. Whichever figure is right, the obligation does not go away with a flag change.
- Trevor Tombe's **4% GDP / \$20 billion / \$3,900-per-Albertan figure** is one model with stated assumptions (5% trade-cost increase, baseline migration). At an 8% trade-cost shock the figure rises to 6% / \$30 billion. These are reasonable midpoints in mainstream Canadian academic economics.
- The **\$500 million transition loan and one-for-one currency swap** are public allegations made by APP co-founder Dennis Modry at separatist events and to NBC News. **U.S. State Department officials, on background, denied that any senior officials were present at the meetings or that any commitments were made;** no documentary evidence has surfaced. This briefing treats them as separatist allegations, not established U.S. policy. The pattern of U.S. signaling around them — Bessent's January 22, 2026 remarks, the rescinded Board of Peace invitation — is the verified part.
- Justice Feasby's **December 5, 2025 ruling** is correctly cited above, but readers should note Feasby was deciding a statutory question under the Citizen Initiative Act, not handing down a categorical constitutional bar to all secession referendums. His own ruling expressly disclaims giving First Nations "a veto." The Smith government has since amended the Act via Bill 14; First Nations litigation continues.
- The **Bad River Line 5 June 16, 2026 deadline** remains formally in force, but Enbridge has filed motions to strike or extend it pending completion of a 41-mile reroute. The Bad River Band is opposing. Treat the date as "ordered but contested."
- The **December 2024 Churchill Falls MOU** between Hydro-Québec and Newfoundland and Labrador is a memorandum of understanding, not a finalized power purchase agreement. Definitive terms are still being negotiated. The directional terms — replacing the 1969 fixed price with market-based escalation and adding ~550 MW of upgraded capacity — are accurate, but the deal is not yet ratified.
- Data-centre demand projections vary widely — from ~75 GW to ~134 GW for 2030 U.S. capacity; BloombergNEF's December 1, 2025 forecast lands at 106 GW for 2035. Bubble risk is real. Even if the bubble pops, Canada's clean-power advantage is durable across multiple buildout scenarios.
- The **James Bay Cree position on Quebec independence** draws on the 1995 *Sovereign Injustice* document and the 96.3% Cree referendum result that year. The Grand Council has not formally re-stated the position for a 2026 PQ referendum, but the constitutional architecture — JBNQA protected by Section 35 — is unchanged.
- Dollarization is not always disastrous. Panama has run on the U.S. dollar for over a century. Ecuador, after a brutal transition, has had lower inflation since 2000 than it did before. The trap is not "dollarization is automatically catastrophic." The trap is that dollarization removes monetary policy as a tool exactly when a commodity-driven economy needs it most.
- **Bill C-5's \$200 billion / \$5,100 figure** is the upper bound of the 2022 Macdonald-Laurier range (4.4–7.9% of GDP, \$110–\$200 billion, \$2,900–\$5,100 per Canadian). The IMF (2019) lower bound is 3.8% of GDP on goods alone. Real economic gains will likely take 5 to 10 years to fully materialize. The direction is unambiguous.



§ IX · CLOSING

# In Plain Language.

*Two truths fit on one card.*

**TRUTH ONE.**

Every honest piece of arithmetic in this briefing — debt share, military startup, environmental overhang, GDP loss from trade frictions, monetary policy surrender, Indigenous treaty exposure, energy artery vulnerability — points the same direction. Whether you live in Lethbridge or in Sept-Îles, secession with U.S. dollarization makes you and your kids **poorer, weaker, and more dependent on Washington** than you have ever been.

**Trump knows this. That is why the offer is on the table.**

**TRUTH TWO.**

Every honest piece of arithmetic on the build-out — refining the 30% gap on heavy crude, anchoring the global AI compute layer on hydro Canada already owns, opening the Fort Mac to Prince Rupert spine to Asian buyers, knocking down the internal trade walls Bill C-5 already statutorily abolished, putting Indigenous equity into the spine — points to a Canada that, by 2032, has **structural leverage over the United States** rather than the other way around.

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Trump set a trap.

The bait is dollars.

The cage is dependency.

*The way out is up.*

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We have the heavy oil. We have the hydro. We have the lithium and the cobalt and the uranium. We have the deepwater port at Prince Rupert and the railhead at Fort McMurray. We have a federal statute that has already created the largest single internal market gain in our country's history and it is barely four months old. We have Indigenous nations who have already, in court and at the ballot box, said they intend to remain Canadian. We have allies in Tokyo and Seoul and Mumbai who would like to buy what we have to sell at full price, in dollars, on long contracts, if we can get it to tidewater on our own keel.

*We have, in short, a country worth keeping.*

Don't fold it into Trump's hand for a \$500 million transition loan and a one-for-one swap.

Go Canada. Build the spine.  
Refine the crude. Power the compute.  
Pay the debt as one country.  
*Negotiate as a peer.*

The math says we can do this. The map says we are already most of the way there. The only question is whether we have the nerve to finish.

 TEAM CANADA · BUILT TO LAST 

## § X • SOURCES & CITATIONS

# Show Your Work.

*Every figure in this briefing has a source. Cite freely. Print it out. Hand it to the cousin quoting MAGA hats since the inauguration.*

### FEDERAL FISCAL & MACRO

Statistics Canada — federal accumulated deficit, provincial GDP, population (July 2025), Q4 2025 financial flow accounts, Consolidated Canadian Government Finance Statistics 2024. Government of Canada — Annual Financial Report of the Government of Canada Fiscal Year 2024-25. Department of National Defence / NATO / CBC News / The Globe and Mail — defence spending, Hague pledge.

### ALBERTA INDEPENDENCE MODELLING

Trevor Tombe (University of Calgary) — economic modelling of Alberta independence (4% GDP / \$20 B / \$3,900 per Albertan). The Hub, Macdonald-Laurier Institute — Tombe's published commentary. Fraser Institute (Hill, Eisen, Fuss) — Alberta's \$244.6 B (2007–2022) and \$285.1 B (2007–2024) net contribution figures. Lennie Kaplan / Troy Media — 10-year extrapolation. Alberta Energy Regulator 2024 Liability Management Performance Report. Pembina Institute / Yewchuk / Fluker / Olszynski — Alberta liability range. Alberta Prosperity Project — APP "fully costed plan." New Peril, Sponsor a Separatist — APP analysis.

### QUEBEC INDEPENDENCE & POLLING

Pallas Data / The Walrus (January 2026) — Quebec sovereignty polling. Angus Reid Institute — PQ trajectory. Grand Council of the Crees (Eeyou Istchee) — Sovereign Injustice (1995), 96.3% Cree referendum result. Canadian Encyclopedia — JBNQA. CER — Provincial and Territorial Energy Profiles, Quebec. Hydro-Québec 2024 Annual Report.

### TRUMP–ALBERTA OUTREACH

NBC News, Financial Times, CSIS, DeSmog, Truthout, CNN, U.S. State Department statements — confirmation of three meetings with Alberta Prosperity Project leadership; reporting on Treasury Secretary Bessent's Real America's Voice interview.

### ENERGY & PIPELINES

Canada Action — Canadian Oil Exports facts. Atlas Institute — "Heavy Oil, Heavy Dependence." U.S. EIA — Canada's role in U.S. refineries. WOWA — WCS prices. BOE Report, EnergyNow — 2025 differential tracking. Canadian Energy Centre — refining industry overview. PBS Wisconsin, Bad River Band documents — Line 5 litigation. Sierra Club / Michigan League of Conservation Voters — Line 5 advocacy materials. CRS Report IN11798 — Line 5 Congressional analysis. EnergyNow / Rick Bell — Smith / Carney pipeline correspondence (May 2025). BC Energy Regulator — Prince Rupert Gas Transmission status.

## **POWER, AI, CRITICAL MINERALS**

Goldman Sachs Research — global data centre demand 2030 (+165%). Wood Mackenzie / S&P 451 / Rystad / BloombergNEF / IEA — U.S. data centre forecasts 2024–2035. Utility Dive — BloombergNEF 106 GW projection. Hydro-Québec 2024 Annual Report. BC Hydro Quick Facts. International Bar Association — Canada's hydro AI integration. TD Economics — Data Centers in a Grid Constrained World. The Logic — Canadian data centre map. Canadian Climate Institute — AI data centre integration. Natural Resources Canada — Canadian Critical Minerals Strategy Annual Report 2024. IEA — Canada's role in critical minerals.

## **BILL C-5 & INTERNAL TRADE**

Government of Canada — Bill C-5 / One Canadian Economy Act (text, implementation). Parliament of Canada — Government Bill C-5, First Reading. OpenParliament.ca. McMillan Vantage — analysis of the One Canadian Economy Act. IMF (Alvarez, Krznar, Tombe, 2019) — internal trade barrier estimates. Macdonald-Laurier Institute (2022) — \$200 B / \$5,100 per Canadian estimate.

## **INDIGENOUS CONSTITUTIONAL ARCHITECTURE**

Confederacy of Treaty No. 6 First Nations / Treaty 7 / Treaty 8 — court interventions. St. Albert Gazette, True North, Breach Media — Treaty 6/7/8 challenge to Alberta referendum. *Yahey v. British Columbia* (2021 BCSC). Reference re Secession of Quebec [1998] 2 SCR 217.

## **DOLLARIZATION COMPARATORS**

World Bank Policy Research Working Paper 2643 (Beckerman, 2001) — Ecuador dollarization. Fordham University — Dollarization Dynamics in Ecuador and Argentina. CPSI — Why Dollarization Works in Ecuador (Rasheed Griffith). Benjamin Cohen (UC Santa Barbara) — currency dependency analysis.

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