

Canadians intuitively know the costs of internal trade barriers. A soon-to-be-released report by the Conference Board, sponsored by Industry, Science and Technology Canada, outlines those costs:

- inefficient production processes designed to overcome obstacles rather than meet market demands;
- lost economies of scale;
- increased administrative costs because there is little harmonization or reciprocity in provincial regulation.

Canadians are demanding change.

David Morton, Chairman and Chief Executive Officer of Alcan, says, "Without the abolition of interprovincial trade barriers, we are fighting world competition with one hand tied behind our back."

Tim Reid, President of the Canadian Chamber of Commerce adds, "These barriers are speed bumps on the road to progress. They may have made sense to someone at some time, but no longer. They restrict domestic market penetration and investment, and discourage links with firms in other regions." Mr. Reid's organization estimates that interprovincial barriers affect as much as 15 to 20 per cent of the production of goods and services in Canada.

The Canadian Manufacturers' Association estimates that there are some 500 barriers to interprovincial trade in Canada costing us some \$6.5 billion a year. The hidden costs are even higher but cannot be measured.

You cannot measure lost confidence or the loss of entrepreneurial drive caused by the burden of these regulations. Clearly, we must eliminate these barriers for a more competitive and prosperous Canada.

A Chamber of Commerce study shatters the myth that barriers protect industry, or that industry wants to maintain the status quo. It found that only 5 per cent of industry benefited from barriers, and that 95 per cent did not. And what about their customers? Canadians see the costs of barriers in the cost of products they buy. It's no accident that Canadian products, which have to compete on price alone, are not well positioned to compete with those coming from markets that haven't restricted their market size by internal barriers. Canadian consumers benefit, but at what cost in lost potential for Canadian jobs?

The major obstacle to removing barriers, according to the Chamber survey, was not special interests who wanted to protect a privileged position. It was a lack of commitment by governments!