

One of the issues we must address is the one we are addressing today, trade barriers within the Canadian common market.

A restricted domestic market results in less efficient, inward-looking companies. An integrated Canadian market will encourage our firms to achieve productivity improvements and become more outward looking. As Harvard University's Michael Porter said in presenting his study on Canada's competitiveness: "Local competition is very important. Local rivals force each other to advance, push each other to export."

As it is, the top 50 firms account for fully 20 per cent of our foreign trade, and only about one-third of the 40,000 Canadian firms in manufacturing export any of their products, even though we have secure access, through the Free Trade Agreement (FTA), to the United States, the richest market in the world. By the way, those who say the FTA has been bad for Canada will have to explain to me why our trade surplus with the Americans has gone up by about \$3.3 billion since implementation in 1988, in spite of the recession and our strong dollar.

But for all our external trade, and we are the second most trade-reliant country in the G-7, the fact remains that three-quarters of our trade is within domestic markets. If 28 per cent of our trade is with others, 72 per cent is with ourselves.

Canada's most important market is Canada. Canada's most important customers are Canadians.

But there are hundreds of artificial trade barriers within those markets, costing Canadian customers billions of dollars every year.

The CMA, as you know, estimates that there are some 500 hundred barriers to interprovincial trade in Canada. The CMA has also estimated they cost some \$6.5 billion a year, or 1 per cent of our gross domestic product. That's also \$1,000 a year for a family of four.

The hidden cost is much higher in lost confidence, competence and competitiveness; in lost sales for Canadian firms and lost income for Canadian workers; and in lost opportunities for all. We need to eliminate those barriers for the better functioning of the Canadian common market, for the building of a stronger economic union and for a more competitive and prosperous country.

As the CMA notes in its report on interprovincial trade barriers: "If rationalization does not occur voluntarily, it will be imposed from outside Canada by our trading partners."