

At the same time, it is important for the maintenance of an open, national economy that similar standards exist across the country in order to facilitate the free flow of goods, capital and labour. Varying regulations and requirements have been used by many countries to block free trade, and the effects can be the same within Canada. Thus, the question of uniformity conflicts in some ways with the need for flexibility in regulations to achieve maximum applicability in our diverse economy. Moreover, both can be important for the least developed regions.

Meeting the diverse needs of the various regions of Canada while maintaining the benefits of a Canadian common market are necessary objectives of all government policy in Canada, and not just regulatory policy. In terms of regulatory intervention, the problem is particularly acute due to the major roles played by federal, provincial and municipal governments. Local and provincial governments may implement regulations that serve to create artificial barriers to the marketing of goods and services in Canada. Local and provincial certification of professionals and trades groups creates barriers to the movement of individual Canadians, reducing the efficiency of the economy and limiting individual freedoms.

To borrow the analogy used earlier, just as competition policy can improve the flow of goods and services through the Canadian economy by providing reasonable rules of the road to speed traffic, economic regulations can slow the flow of traffic, cause accidents and waste energy. The economic traffic in Canada must be made to flow as freely, safely and efficiently as possible if Canadians are to compete in the future.

This Committee recognizes that regulatory intervention in certain areas is inevitable and desirable in Canada. But regulatory intervention need not continue to balkanize the Canadian economy, create excess costs for Canadian producers, and distort the functioning of Canadian markets. We are convinced that there is tremendous scope for Canadian governments at both levels to reduce the differences in their regulatory regimes and to create more efficient regulatory mechanisms. We believe that regulatory interventions should be designed to have minimal negative effects on the functioning of Canadian markets and should not be used to inhibit the free movement of goods, services, capital and individuals across Canada. To this end, the federal and provincial governments should seek to standardize regulations in all sectors to as great an extent as possible.

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