

day gave jurisdiction in other areas along the same lines to the federal Government, areas such as navigation and shipping, bills of exchange, promissory notes, legal tender and patents. All that type of thing was put fully into the hands of the federal Government.

More specifically, in the Constitution of 1867, we should look at Section 121 which states: "All articles of growth, produce or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces". It is quite clear what was envisaged at that time, that is that there was to be a customs union and no restriction.

What has happened over the last 100 years as a result of special invested interest and "beggar-thy-neighbour" policies? I do not want to be too forceful because I know how some of these things come about. These types of policies were pursued by the provinces, often with the concurrence of the federal authorities. We now have a veritable mishmash of restrictive practices which have grown up. It is probably worse in the agricultural field. There are, I believe, 144 various marketing boards marketing agricultural products in Canada. If one is trying to sell milk from a province outside of Ontario into Ontario, it is almost impossible. It is the same in British Columbia with respect to pork and eggs, for example. I am familiar with the CEMA problems because the egg producers in the area I represent are unable to sell 60 or 70 miles across the border. It is impossible for them to do that and that is an unnecessary restriction on trade within our own country.

There are various subsidies set up in the agricultural field both federally and provincially. There are differential prices. The Liquor Commission of the Province of British Columbia has a 50 per cent mark-up on wines from British Columbia and 110 per cent mark-up on wines coming in from other provinces of the same country. Surely, that is not fair. The field of Government procurement is another very important aspect. For certain jobs in the Provinces of Quebec and Nova Scotia, no bids are even entertained from firms outside of those provinces. There are systems of provincial preference of one kind or another in most provinces of Canada. There are big differentials put into effect where I come from. We are one of the worst offenders. We have a bid differential in favour of resident companies when it comes to construction contracts.

With respect to provincial hiring practices, there is practically no province which is immune. There were special rules put into effect for the limestone project in Manitoba. Look at construction in Quebec. If one is not from Quebec, there is practically no way one can get a job on a construction site in that province. Work in the oil industry was reserved for Newfoundlanders in their province. There is unnecessary labour licensing legislation. Although we are now trying to make an effort at deregulation in transportation, the trucking industry is a veritable jungle of red tape.

There are all kinds of competitive giveaways and tax incentives to try to get people to locate in specific areas. Of course, there are the back-door methods such as the imposition of British Columbia's sales tax. If one has a construction job in

Interprovincial Trade

British Columbia and one wants to move one's machinery, one has to pay a British Columbia sales tax. If it is only a two-week job, it is hardly worth-while. Those are the kinds of back-door methods being used.

The result of all this is a lack of competitiveness with Canadian industry and Canadian suppliers. It results in higher consumer prices to the eventual consumer. The cost of all the lobbying which has to go on to get these special favours has to be paid for by someone. A lot of these restrictive practices were put on with the effect of guarding employment within a certain area. However, the wider effect is to create more unemployment elsewhere. In general, it results in an inefficient allocation of resources which in turn results in lower over-all standards of living for Canadians.

How do we reverse this trend? How do we get back to the economic union envisaged by the Fathers of Confederation? First, it will take self-restraint on the part of the special interests involved. They should not look at their special daily interest, they have to be able to look further ahead and try to be fair to all Canadians. There must be self-restraint on the part of governments and legislators who really never like to say no to people. It might take the form of court action because I am sure a lot of these restraints are clearly contrary to Section 121 of the Constitution Act.

I have put forward a proposal which was put forward by the Canada West Foundation for an interprovincial trade commission made up of representatives of various provinces and the federal authorities. The reason for this would be for the negotiation to reduce all these unnecessary barriers. No one likes to say: "I am going to go first", so if we can do it in a co-ordinated way, the Canada West proposal for an interprovincial trade commission might work to our advantage.

• (1710)

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, first, I would like to begin my remarks by complimenting the Hon. Member for Western Arctic (Mr. Nickerson) for introducing this resolution. I think it is a useful contribution to debate in the House. Frankly, it is a resolution that should have been introduced much earlier. It has a major bearing on the broad discussion we have been having over the past 18 months or so with respect to the free trade initiative the Government has inaugurated with the United States of America. The two cannot be divorced.

The theory being put forward by the Hon. Member who argues for a greater sense of economic union is one to which we would all adhere. We all believe that it would be useful to have a clear examination of how we can reduce provincial barriers. From my experience as the Minister of Employment and Immigration I can certainly testify that the seeming irrationality of various labour licensing codes and professional codes from province to province totally impeded the movement of labour across Canada.