

News Release

The Standing Senate Committee on Banking, Trade and Commerce

Government must tear down the walls created by internal trade barriers to free Canada's economy, senators say

Ottawa, June 14, 2016 – Mind-boggling rules, dueling bureaucracies and maddening regulations are estimated currently to sap billions of dollars from the Canadian economy each year, the Senate Committee on Banking, Trade and Commerce has found.

Senators released an extensive report on internal barriers to trade called [*Tear Down These Walls: Dismantling Canada's Internal Trade Barriers*](#) today in the context of Canadian Importers and Exporters Association's (I.E.Canada's) 85th annual conference.

The federal government must make removing these barriers a priority, the committee concluded — if the government fails to act, the cost to Canada's gross domestic product could range between \$50 billion to \$130 billion.

Reducing internal barriers to trade is particularly important now. The United States — Canada's biggest trading partner — is soon to elect a new president who might be less receptive to trade with Canada. Moreover, the ramifications of the United Kingdom's possible exit from the European Union are unclear. Making trade within Canada easier will provide a measure of insurance against potential hits to international trade.

Federal, provincial and territorial governments have also allowed internal barriers to trade to persist. The committee urges co-operation between all levels of government to reduce the significant costs these barriers impose on Canadian consumers, businesses and workers. The federal government is in the best position to lead on this issue, the committee said.

The deadline for a comprehensive renewal of the [*Agreement on Internal Trade*](#) — which is intended to promote the free movement of people, goods and services, and investment within Canada — lapsed in March 2016, and no new deadline has been announced. Senators urge federal, provincial and territorial governments to renew the agreement as soon as possible and certainly before Canada's 150th birthday next July and make recommendations for improvements to the agreement. Failing a timely and effective renewed agreement, the Senators further recommend that the federal government pursue a reference to the Supreme Court of Canada on the subject.

Did you know that...

- Unpasteurized products made in Quebec cannot be shipped outside of the province.
- Beer bottle size standards differ across jurisdictions. For example, Garrison Brewing produces beer in Nova Scotia, which has bottle size standards that differ from those in Newfoundland and

Labrador; consequently, to sell in the latter province, Garrison Brewing would have to establish a separate production system.

- Weight limits on certain truck tires differ across jurisdictions, with the result that some truck drivers must change their tires when crossing certain provincial/territorial borders.

Quotes

"Canadians should be able to live, practice their profession or trade, purchase goods and services freely and without penalty anywhere in this great country as a right. To do otherwise makes us less of a country and makes citizens tied to their region rather than their nation."

- Senator David Tkachuk, Chair of the committee

"While Canada is opening itself up to international businesses, internal barriers to trade have never been more entrenched. This is perplexing and utterly outrageous; it shows a lack of respect for Canadian businesses, workers and consumers. Our committee's report shows what must be done — the government must act swiftly on our recommendations or risk suffocating Canadian enterprise and depriving the economy of billions of dollars."

- Senator Joseph Day, Deputy Chair of the committee

"I.E.Canada fully supports the recommendations made in the Report of the Standing Committee on Banking, Trade and Commerce on Canada's internal trade barriers. Trade is critical to the growth of Canadian businesses and to the Canadian economy. Trade among provinces should be a given, and it is incomprehensible that the efforts we make to develop trade agreements with other nations has superseded the ability we have to trade within our own country. I.E.Canada urges the government to move forward with the implementation of the recommendations of the Senate Committee as quickly as possible."

- Joy Nott, President, I.E.Canada

Associated Links

- Report: [*Tear Down Those Walls: Dismantling Canada's Internal Trade Barriers.*](#)
- [Report microsite.](#)
- Committee homepage: [Learn more.](#)
- Follow the committee on Twitter [@SenateCA](#); follow the committee using the hashtag **#BANC**.

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