



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

45th PARLIAMENT, 1st SESSION

---

# Standing Committee on International Trade

EVIDENCE

**NUMBER 033**

Thursday, April 23, 2026

---

Chair: Judy A. Sgro





## Standing Committee on International Trade

Thursday, April 23, 2026

• (1100)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I'm calling the meeting to order.

Welcome to meeting number 33 of the Standing Committee on International Trade.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, February 12, the committee is resuming a study of free trade within Canada.

We have with us today Mark Mancini, professor in the faculty of law at Thompson Rivers University; from the Canadian Chamber of Commerce, Pascal Chan, vice-president, strategic policy and supply chains; and by video conference, for Maple Leaf Foods, Michael McCain.

Welcome to all of you. Thank you for being with us today. This is an important study that we're doing, and we very much appreciate your comments.

We will start with opening remarks of up to five minutes, please.

Mr. Mancini, I will start with you.

**Mark Mancini (Professor, Faculty of Law, Thompson Rivers University, As an Individual):** Thank you, Chair and members of the committee, for having me here.

As you heard, my name is Mark Mancini. I'm a professor of law at Thompson Rivers University in Kamloops, British Columbia.

I'd like to speak to you today about primarily three things. Number one is about constitutional barriers that potentially exist to establishing frictionless free trade across Canada. Number two is existing problems with some of the tools that governments have reached for in light of those barriers. Number three is what the Constitution might permit us to do instead.

I make these comments today based on a report that I co-authored with my colleague, Professor Paul Daly, for the Macdonald-Laurier Institute. Professor Daly will be here to speak to you in the next hour.

Let me start with the constitutional landscape and why it presents somewhat of a problem for frictionless free trade in Canada. The Constitution—wisely, actually—divides economic authority between Parliament and the provinces. Provinces hold broad jurisdiction over property and civil rights in the province, professional regulation and trade.

The result in a federation like ours is an inescapable web of non-tariff barriers: different product standards, different licensing regimes and different certification requirements for important professional jobs. Even well-intentioned regulation of this kind, by its nature, creates constitutional friction. Despite the fact that this is inevitable, these approaches can be duplicative and wasteful.

Parliament's jurisdiction over trade and commerce is broad, but it can't override this constitutional reality. The Supreme Court of Canada has been clear: Federal legislation cannot descend into the day-to-day regulation of goods and professions reserved to the provinces. Also, the court unfortunately has narrowed other interpretive pathways to a frictionless national market, most notably in the “free the beer” decision.

This background explains why existing recent statutory efforts to encourage regulatory harmonization, while positive, are not complete. The Canadian Free Trade Agreement, for example, despite recent positive efforts on that front, is voluntary and, for its benefits, still contains lists of exceptions on goods and labour mobility.

The One Canadian Economy Act, recently adopted, represents a major step forward, but of course it can apply only when federal and provincial laws naturally interface. It cannot compel cross-province acceptance of regulations among the provinces.

Moreover, many of these efforts, including those in the provinces, rely on a constitutionally suspect method of breaking regulatory impasses. They depend on so-called Henry VIII clauses, named after that old Tudor king, which permit individual cabinet ministers or the cabinet as a whole to amend primary law. The executive, under this mechanism, purports to exercise a quintessentially legislative act, blurring the lines of accountability. While the Supreme Court has held that these mechanisms are constitutional, they exact a cost in politics, because they distort accountability and they depend on executive action changeable at the stroke of a pen, creating an unstable policy environment for regulated entities.

That brings me to what we do going forward, and that's the subject of our report. There is a constitutionally sound escape valve from all this. The solution we propose in our paper is a joint federal-provincial agency created through matching legislation passed at both levels of government.

This agency would do three things. It would mandate mutual recognition. If a good, service or professional credential is lawful in one province, it would be lawful in all. Second, it would develop national harmonized standards and a means to enforce them through the agency. Third, and maybe most importantly, it would systematically identify barriers and recommend their removal, with provincial ministers acting on those recommendations through tightly constrained and accountable executive powers.

This is not technocracy or bureaucracy for the sake of it. This proposal is designed to coordinate and reduce the duplication of national and provincial regulations. We take the world as it is. We live in a highly regulated economy, and we want to leave space for jurisdictions that choose to simply remove regulations outright, while continuing to coordinate regulatory responses at the national and provincial levels.

With this in mind, our Constitution need not be a counsel of despair. Parliament and the provinces can build a regulatory solution that works within the division of powers and does not depend on inherently unstable executive action. The law here, in other words, is not an obstacle. It can be a solution.

- (1105)

Thank you for your time today. I welcome your questions.

**The Chair:** Thank you very much, Mr. Mancini.

Mr. Chan, please go ahead with a statement of up to five minutes.

[*Translation*]

**Pascal Chan (Vice President, Strategic Policy and Supply Chains, Canadian Chamber of Commerce):** Thank you, Madam Chair.

[*English*]

I'm Pascal Chan, vice-president of strategic policy and supply chains at the Canadian Chamber of Commerce, which is Canada's largest and most active business network. We represent 400 chambers of commerce across the country and more than 200,000 businesses of all sizes—from all sectors and from every part of the country—working to create the conditions for our collective success.

[*Translation*]

First of all, I'd like to thank the members of the committee for undertaking this important study and for inviting me to participate as a witness. At the Canadian Chamber of Commerce, we're always looking for ways to improve economic growth, productivity and Canada's competitiveness in the global economy.

[*English*]

On the question of free trade within Canada, I'll start by noting that the toughest obstacles to overcome are not always external or

flashy. You'll often hear our president and CEO, Candace Laing, talk about the importance of cultural or mindset shifts. That's because, on matters like this, we can't do the quintessentially Canadian thing and be too polite to openly discuss what is holding us back.

Since the U.S. President's election, it feels as though prospects for our economic prosperity have Canadians questioning whether we should have been more deliberate or proactive when it comes to dreaming big. To that end, a by-product of the trade turmoil we have been experiencing has been an acknowledgement of our complacency when it comes to doing the difficult things that will allow us to grow our economy, both abroad and domestically. For the latter, this means getting our own house in order and generally pursuing one Canadian economy by slashing internal trade barriers.

The rationale for action is clear. Study after study has made the case that these barriers only serve to limit our economic growth. In January of this year, an International Monetary Fund report noted that eliminating all non-geographic policy-related barriers “could raise Canada's real GDP by roughly 7 percent over the long run”, which would have been a \$210-billion boost in 2025. This is well in line with the Government of Canada's assessment of \$200 billion, or \$5,100 per person.

[*Translation*]

It's also important to highlight the progress we've seen: The appointment of a minister responsible for interprovincial trade in December 2024, the elimination of federal exemptions in the Canadian Free Trade Agreement, the tabling of Bill C-5, the signing of the Canadian Mutual Recognition Agreement on the Sale of Goods, the approval of the Memorandum of Understanding on Interprovincial Trucking, and ongoing work to address challenges related to various sectors. These are significant measures that have received a lot of support from the business community.

That said, the barriers to interprovincial trade haven't all simply disappeared with the royal assent of Bill C-5 and the signing of certain agreements. Several barriers still remain within the legislative, regulatory and policy frameworks of provinces and territories, as Professor Mancini has just said. These frameworks were put in place to address similar problems encountered in each province, but they were developed and drafted in very different ways.

• (1110)

[English]

The focus is on the provinces and territories that need to do the hard work of looking inward to remove and streamline their own trade barriers. Last week, the Canadian Chamber of Commerce held its first ever Future of Business Summit in Ottawa, which featured a panel of premiers discussing what they can agree on in the current moment. They all noted that removing barriers to internal trade has to be a top priority. Our hope is that, despite the progress thus far, provinces and territories will stay at the table, working towards meaningful progress.

That said, we can't just politely accept that we've come this far, only to settle for "good enough". If momentum slows, we hope the federal government would consider applying conditions to major federal transfers to provinces and territories that require the elimination of specific barriers to interprovincial trade and labour mobility, as noted in the 2024 fall economic statement. In a moment when geopolitical uncertainty is high and the stability of our most important trading relationship is not a given, it's critical for our provincial, territorial and federal governments to continue this hard and valuable work in order to get the job done.

[Translation]

I thank you again for inviting me, and I thank you for your efforts at building a more prosperous nation. I will be pleased to answer your questions.

[English]

**The Chair:** Thank you, both, very much.

We'll move on to Mr. McCain for up to five minutes.

**Michael H. McCain (Executive Chair, Maple Leaf Foods Inc.):** Thank you and good morning, Madam Chair and committee members.

My name is Michael McCain. I'm the executive chair of Maple Leaf Foods. It's a pleasure to be with you here today.

I'm here to speak to you very candidly about an issue that threatens the safety of Canada's food system and the well-being of Canadian consumers.

Some parties, in the name of interprovincial trade, are calling for actions that will materially erode Canada's globally recognized federal food safety system through the nationalization of what are essentially subpar provincial food safety regulations.

The pursuit of international trade, I believe, is not the issue here. This is a proper objective on which we can all agree. This is about how we accomplish this objective. It cannot come at the expense of food safety and Canadian lives.

Today, as we speak, Canada boasts a world-class food safety system framework, which is enforced by the Canadian Food Inspection Agency. It is nationally and globally recognized as ensuring that Canada has among the safest food in the world. Today, we have a globally recognized national standard.

Canada's federal food safety system is not a barrier to internal trade. Anyone manufacturing and selling food in this country should be adhering to these federal requirements.

Unfortunately, for way too long, Canada has supported a virtually unknown second-tier food safety system. The second system is a patchwork of substandard provincial and territorial regulations. These regulations all differ. They fall desperately short of modern food safety standards, and I would judge the food produced by these substandard systems as unsafe.

In the name of internal trade, advocates are calling for these subpar systems to be legally deemed as equivalent to Canada's globally recognized food safety framework when they are not. What is worse, this fraud would be perpetrated on consumers, who are not even aware of the risk.

There's only one path to fully unrestricted interprovincial trade for food in Canada. This country should immediately eliminate this unsafe second-tier system of mismatched regulatory and inspection systems and align solely around Canada's world-class federal system.

Madam Chair, I don't speak about these issues lightly. In 2008, Maple Leaf Foods was responsible for a listeriosis crisis that killed 23 Canadians on our watch. Since then, federal food safety regulations, tools and standards have advanced significantly. Provincial and territorial regulations have not.

I speak to you today from a place of personal accountability, rooted in the pain that was attached to this serious food safety breach. The consequences of a substandard food safety network are real and tragic.

I ask you today to heed this warning, and I look forward to your questions.

Thank you.

• (1115)

**The Chair:** Thank you very much, Mr. McCain, and to our other witnesses.

We'll go to Mr. Chambers for six minutes, please.

**Adam Chambers (Simcoe North, CPC):** Thank you, Madam Chair. Welcome to our witnesses. It's a pleasure to receive your testimony here today.

I have a couple of quick questions.

Mr. Chan, you noted that we still have a number of internal trade barriers. How long do you think we should wait before we expect to make significant improvements?

**Pascal Chan:** I'd hoped that we'd see it quickly, obviously. The crux of my remarks was that we've made good progress so far, but we can't wait much longer to get the job done.

Obviously, given the comments we just heard from Mr. McCain, I am not suggesting that we erode any sort of food safety regulations. He also proposed a path forward for us to get toward free internal trade on that piece. I just wanted to acknowledge that.

Keeping the provinces at the table, and the solutions that we have put on the table as well, we are saying that the federal government does have levers that it could pull. Professor Mancini also raised a number of solutions we could possibly explore constitutionally.

Maintaining the momentum on this and making sure we get the job done over the course of the next year would be very important. That would be our ambition. That's what the business community would like to see.

**Adam Chambers:** Right, or we'll be here in 20 years from now. I'll be long gone, but people will be having the exact same conversations we had 20 years ago.

**Pascal Chan:** Absolutely. As I mentioned, it's a question of culture, mindset and shifting our ambition. We can't accept just good enough. We can't just be too polite to say we need to do the hard work. There are some hard discussions that have been happening and that still need to continue progressing over the course of the next year.

**Adam Chambers:** Thank you.

Professor Mancini, was the Comeau decision correct, in your view?

**Mark Mancini:** I've written about this, actually. My view is that the decision was not correct. My view is that section 121 of the Constitution Act prohibits non-tariff trade barriers that strike at the heart or the flow of interprovincial trade.

The Supreme Court came up with a test that I think mimics this, but it will actually not make it easy to find that any of these non-tariff trade barriers are constitutional.

**Adam Chambers:** Would you say that decision set back the push to reduce trade barriers in the country?

**Mark Mancini:** In some ways, I think it provides us with the fodder to do it now, because now we know there's not going to be a judicial pathway out of this. We're not going to litigate our way out of trade barriers. It's going to require a political solution. That's difficult, but the law is limited in what it can do in this particular way—I mean adjudication in courts.

**Adam Chambers:** That's fair enough.

Are you familiar with the court challenges program?

**Mark Mancini:** Yes.

**Adam Chambers:** I recognize that you say we might not be able to litigate our way out of this, but could you not allow or provide resources to the court challenges program to allow Canadians whose economic freedom is being restricted to bring challenges to some of these regulations and challenge the constitutionality or the power and authority of provincial governments to limit their economic and financial freedom?

**Mark Mancini:** The barrier that exists to that, Mr. Chambers, is that there are no real legal grounds to do that. Early in the era of the charter, there was an attempt to use section 7 to strike down barriers on economic liberty. The courts have pretty much rejected all of those types of challenges pretty consistently since the charter was brought in.

Section 7 just doesn't have an economic protection component to it. Even if we could fund these challenges, it really limits their efficacy in establishing a national, frictionless free market.

**Adam Chambers:** I find it fascinating that the court can read in the living tree so many other things that do not happen to be in that document today but will refuse to acknowledge that people have a fundamental right to economic freedom and freedom of movement and mobility in this country.

In any event, I have to ask my final question, because I'm running out of time.

Since we've been waiting so long, don't you think the idea we've proposed to pay and incentivize provinces to reduce their trade barriers is the only thing that's actually going to make them move? The government should give the provinces an upside in a payment to remove the trade barriers in order to get them to do that.

Would either of you recommend that?

• (1120)

**Pascal Chan:** We talked about using the federal transfers and the funds they're already giving to the provinces and asking that they make progress on trade for those barriers.

Frankly, what we really would like to see is that it not come to that. We'd like to have the provinces stay at the table. We know they got together. The ministers responsible for internal trade from the provinces met nine times last year, as opposed to typically about once a year. We hope that progress continues. The important piece we're trying to stress is that we not lose any of this momentum.

**Adam Chambers:** Thank you.

Mr. Mancini, do you think it's a reasonable idea?

**Mark Mancini:** I think it's one thing among many.

**Adam Chambers:** Okay. That's wonderful. Thank you.

Mr. McCain, thank you for your testimony. I appreciate your candour here this morning.

In your view, is the path to harmonization around a consistent federal standard—the CFIA standard—that's recognized provincially? Is that what you would hope for as an outcome?

**Michael H. McCain:** Yes, I think that is the win-win here. We achieve one national standard; we reduce all barriers to interprovincial trade, and consumers win.

**Adam Chambers:** Thank you very much.

I also think it will help us export more goods around the world with their federal standards.

**Michael H. McCain:** I agree.

**The Chair:** Mr. Fonseca, you have six minutes, please.

**Peter Fonseca (Mississauga East—Cooksville, Lib.):** Well, thank you, Madam Chair.

Thank you to our witnesses.

I'll start where I start, and that is in Mississauga.

Mr. McCain, thank you very much for the jobs that you create in my community of Mississauga East—Cooksville. I know that many of my constituents work for Maple Leaf Foods. They're very proud of the work they do. Thank you for that.

Also knowing, as MP Chambers was just talking about, the exports that Maple Leaf Foods does—I know you export to over 20 countries around the world—I want to ask you about internal barriers—so, barriers that we have, interprovincial barriers—as compared to your export barriers. Can you shed some light on that, on what it's like, selling across Canada and also overseas and to the rest of the world?

**Michael H. McCain:** We have no barriers at Maple Leaf Foods to selling across the country. We are exposed to no barriers to interprovincial trade in this country of any consequence, because we are federally regulated. All of our plants are federally registered and regulated by the CFIA. The barriers are to any food enterprise that hasn't invested in producing the safe food required by the CFIA.

I would argue—and I don't even think it's an argument; I think it's an objective truth—that producing safe food costs money. It's as simple as that. It costs something to produce safe food. It costs something to produce that in a food-safe plant, and it operationally costs money to operate in a food-safe manner. A patchwork of interprovincial or provincial regulatory frameworks doesn't require that investment to produce safe food. The food is not safe, so they are restricted in interprovincial trade.

Globally, every country has unique features in exporting, but we don't face any more or fewer restrictions than any other around the world with regard to those export requirements.

**Peter Fonseca:** Thank you for that.

Mr. Mancini, you've called internal trade barriers an existential issue. What's the single most damaging barrier for us today when it comes to this trade?

**Mark Mancini:** I think, legally, one of the biggest ones is related to health care mobility, health care worker mobility. It's still something that is exempted from the Canada free trade agreement. It's something that strikes at the core of provincial power, because provinces have the power to regulate professional responsibilities within the provinces. There are, of course, worries about cross-provincial recognition of a professional who is licensed in one jurisdiction but not in another. Given our challenges in health care and in other service-providing industries, it's a major legal barrier that comes out of our division of powers, out of the fact that the provinces have jurisdiction over these things.

• (1125)

**Peter Fonseca:** What is the barrier with the provinces to stopping this? Why are the provinces not moving forward in allowing for interprovincial labour mobility of our health care professionals?

**Mark Mancini:** Well, you know, there has been some positive movement. Mr. Chan mentioned a few things. It's important, I think, that we recognize the positives.

One thing to keep in mind here is that these sorts of barriers aren't necessarily protectionist, and they're not necessarily designed to restrict the flow of people across provincial borders. This is just a natural thing that happens in a complicated country like ours, where provinces have different rules governing different trades. This is just to be expected.

Really, what we're asking for here is a method to coordinate these regulatory schemes and to establish equivalency.

**Peter Fonseca:** I see that you've mentioned that you would like to see it created, having everybody at the table and working through these barriers.

**Mark Mancini:** That would be the idea, yes.

**Peter Fonseca:** Mr. Chan, what would be the fastest win for governments today? What can we move on quickly, expeditiously?

**Pascal Chan:** Yes, I think that the piece about labour mobility comes up a lot. We talk about our productivity challenges, about supply and demand, and about allowing labour to go where they need to be specifically—where there's a need for them, where they're able to work, where there's an opportunity for them. Then, obviously, they become more productive and contribute to the economy. I think the regulatory piece more generally is something that's trying to be addressed through Bill C-5 specifically.

Basically, regulations make it hard for SMEs to grow, expand and create Canadian competitive intensity that's going to help productivity. I mean, what we hear from businesses is that, if you're trying to operate across provincial and territorial borders in Canada, it's this complex, ever-changing web that's difficult to navigate. Some businesses will hire additional staff to help them deal with that and work through the cross-border issues, whereas some businesses do their best but are not able to keep up with the different requirements. Others will decide that it's not worth the hassle and will not expand into specific provinces.

Obviously, that's difficult, and if they are looking to sell internationally rather than to other provinces, that creates some of the created tariff effect internally. It's not an actual tariff, but it acts as a tariff in a lot of situations.

**Peter Fonseca:** Have any of you done any work on the EU, how the EU came together and how it was able to address many of the barriers it would have had between the different countries, Mr. Mancini?

**Mark Mancini:** Our report begins with a bit of a vignette of how a delivery would work in the EU, and it's just a different world there. My colleague, Professor Daly, who is going to be coming up in the next hour, knows quite a bit about this, but we can contrast that with our situation in Canada.

**The Chair:** Thank you very much.

We will move on to Mr. Savard-Tremblay, please, for six minutes.

[Translation]

**Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot—Acton, BQ):** Thank you, Madam Chair.

I thank all the witnesses for their presentations, which I unfortunately was unable to hear. Nevertheless, I was given a summary of them, and I have no doubt that they were very relevant.

I'll start with you, Mr. Mancini. Your federal-provincial agency would be binding, but it would respect jurisdictions. I feel like that's to some extent what raises questions today. I imagine, if it were to come to fruition, that it would be important to very precisely outline the boundaries and limits, because constraining jurisdictions while respecting them can end up causing overlap. They're not necessarily two very compatible concepts.

So, how will you ensure that the exclusive jurisdictions of the provinces will be respected? In Quebec, as you know, we have a somewhat distinct model. Furthermore, in my opinion, when we talk about barriers, one of the problems is that it's often unfortunately very hard to define what they really are, especially since free trade already exists.

Tell us more. How do you add substance around the core while respecting exclusive jurisdictions?

[English]

**Mark Mancini:** That's really the crux of the problem. We live in a very complicated country with provincial powers, and we have to come up with a way to do both things at once, limit trade barriers and respect provincial boundaries. The proposal that we've brought forward here, I think, is the closest we can come to a wholly national solution. It still respects provincial autonomy in a number of ways. Number one, there would be no impetus for a province to have to join our regime. That would be an exercise of its own provincial jurisdiction. Regulations adopted by the agency would be implemented by provincial ministers and subject to negative resolution procedures in the provincial legislatures.

The idea here is that, while there would be a national agency that could issue binding determinations, for example, that a product is equivalent in both jurisdictions, the provinces would still have meaningful legislative authority over accepting those sorts of things. We can't do away with that under our Constitution.

• (1130)

[Translation]

**Simon-Pierre Savard-Tremblay:** Could we ultimately let the province decide where the constraint is? If the province is allowed to accept or refuse, where does the binding power lie?

[English]

**Mark Mancini:** We expect that. Like snowballs rolling down a hill, provinces will likely get on board with an initiative that other provinces have agreed is working. I think that when we see the benefits of the reduction of legal trade barriers, it will be very enticing for a province to join. This is the sort of thing the Supreme Court has said. Our federation is permitted to create incentives for provinces to join co-operative schemes that are for the betterment of the entire country.

[Translation]

**Simon-Pierre Savard-Tremblay:** I know you're an assistant professor of law. In this case, have you verified the constitutionality of an agency that would have such sanctioning power over a province?

[English]

**Mark Mancini:** Yes. Our proposal runs on a concept called interdelegation. It's a well-known legal concept that has been deployed in several regulated sectors across the country. How it works that is the agency basically wears two hats. It is delegated powers from the provinces and from the federal government, and it shares those powers. The Supreme Court most recently, in the pan-Canadian securities reference in 2018, confirmed that it is a constitutional technique. As long as the provinces retain the power to withdraw, they retain their sovereignty. There are many ways we can build provincial checks into the agency to make sure that it is operating according to what the participants want. This scheme of interdelegation is constitutional and has been held as such by the Supreme Court.

[Translation]

**Simon-Pierre Savard-Tremblay:** From what I had heard, you said that the agency could be launched without all provinces joining at the start. If the agency's launched without all provinces joining, would that mean, for example, that a coalition of provinces that have joined could decide to isolate another province, then gradually force it to join and ultimately give in on what it initially opposed?

[English]

**Mark Mancini:** For the other provinces, the only compulsion to join the scheme would be a practical incentive that it might be in their best interest to join the rest of the group, so to speak, but there are other techniques or things that the provinces that, say, don't want to join could do. They could continue to develop voluntary MOUs among themselves. That's something we're already seeing. They could reduce their own trade barriers on their own, of their own accord, without having the compulsion of the agency.

The provinces aren't left without powers in that case. The only practical compulsion is that it might be good to join the rest of the group.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Mr. Mancini, I have 30 seconds left. I can start asking my famous question about professional associations, but I imagine I won't have time to finish.

As you know, Quebec is very attached to its Bill 101. How do we ensure it's respected?

[*English*]

**Mark Mancini:** Well, Bill 101 and the notwithstanding clause.... That subject is before the Supreme Court right now. It's a complex legal problem. As of now, though, the notwithstanding clause protects the right of a province to insulate its laws from constitutional challenge. That's the black-letter law of it. Until we're told otherwise, that is a valid power that could be exercised by Quebec.

**The Chair:** Thank you very much.

We'll go to Mr. Mantle, please, for five minutes.

**Jacob Mantle (York—Durham, CPC):** Thank you to our witnesses for being here and for providing valuable testimony on this.

Mr. Mancini, do we have free trade in Canada right now?

**Mark Mancini:** No.

**Jacob Mantle:** Mr. Chan, do we have free trade in Canada right now?

No. That was my unfortunate suspicion.

Mr. Mancini, to return to a conversation you had with my colleague, is it your testimony that in some areas the Supreme Court has invented new things, if I can use that word—charter values or charter vibes, some might say—but in other areas the court has eviscerated the plain black-letter reading of the Constitution?

• (1135)

**Mark Mancini:** In some ways, the Supreme Court has gone out on a limb—again, this is my opinion—on certain charter-related jurisprudential questions, but in our case, in the case of free trade, the Supreme Court's holdings only set up the political question, which is what we are hoping to resolve with our proposal here. How do we, in the absence of judicial decisions that really help us out, establish free trade in Canada?

**Jacob Mantle:** Why shouldn't we just take another kick at the can? The Supreme Court seems to like to change its mind.

**Mark Mancini:** I think this particular problem that we're dealing with here is just not susceptible to being solved by litigation. Constitutional litigation traditionally involves two parties. We have a lot of intervenors, maybe, but it's not a legislature. It's not a parliamentary committee. Judges are and should be restricted by their office. Parliamentarians have many more resources at their disposal. This is the kind of cross-jurisdictional problem that is very hard to solve through normal litigation, even charter litigation.

**Jacob Mantle:** Returning to section 92.10 of the Constitution, interprovincial undertakings, do you think there's space for the federal government to exercise leadership there with respect to some

of those large interprovincial undertakings, whether that's an energy corridor or a pipeline that clearly goes across multiple provinces and engages multiple jurisdictions? That seems to be squarely within what that is contemplating. Is that an approach the federal government could or should take?

**Mark Mancini:** That's a tool in its tool box. It's a declaratory power that it's able to exercise. Of course, there's always the legal question and then the political question of how to manage the use of that power in light of provincial objections. That's a question for the exercise of political power, but this is certainly a tool in the federal government's tool box.

**Jacob Mantle:** Thank you. Yes, I wouldn't ask you to comment on the political question, but from your vantage point as a legal scholar. We proposed a national energy corridor in the last election. Do you think that would survive and could utilize the provincial undertakings powers?

**Mark Mancini:** Yes. Without knowing completely about that particular proposal, something like that, where the federal government can convincingly say that it's in the national interest, is amenable to use under the declaratory power.

**Jacob Mantle:** Thank you.

I also want to understand your testimony with respect to labour mobility. As I understand your testimony, various professions in Canada are not recognized from one province to the other. Does that make it difficult for Canadians to move from one province and pick up their employment in another?

**Mark Mancini:** Yes.

Again, these barriers are not necessarily vindictive. They're not necessarily designed to target people in other provinces. They're just things that naturally arise as provinces exercise power over their professions.

**Jacob Mantle:** An electrician in one province, let's say in Saskatchewan, can't get a job offer in Newfoundland tomorrow, move across the country and begin working again. That's not possible right now, is it?

**Mark Mancini:** It depends on the profession, but it's difficult.

**Jacob Mantle:** Is there any legitimate purpose to that type of barrier? The charter seems to provide labour mobility, including, specifically, the ability to take up employment across the country. How does that work? Make that make sense for me.

**Mark Mancini:** There are two things.

One is that, just naturally, over time, provinces have different provincial cultures, and they make different judgments about what requirements their professions need to meet. Over time, those are legitimate judgments.

Charter mobility, however, doesn't have the constitutional teeth to say that we have a right to pick up employment in any province.

**Jacob Mantle:** I have one question, but I'm limited on time.

**The Chair:** Be very quick.

**Jacob Mantle:** One thing I'm worried about is.... I think we are at a moment right now where Canadians are all on board with removing this. Are we using that opportunity, or is it slipping by us?

**Mark Mancini:** We're using it, but there's more that we can be doing.

**The Chair:** Thank you very much.

Mr. Lavoie, go ahead, please. You have five minutes.

[*Translation*]

**Steeve Lavoie (Beauport—Limoilou, Lib.):** Thank you, Madam Chair.

I thank the witnesses very much for being with us today. The discussions are very informative.

Mr. Chan, listening to you, Mr. Mancini and other witnesses, I realized that everyone is talking about trade barriers. It's funny, I did a quick search on interprovincial trade barriers. Do you know how many years they've existed? We're talking about nearly 160 years. They've been around a long time. When it was decided, a year ago, to increase domestic trade, some obstacles were to be expected. We're talking about a potential for over \$200 billion, but we're also talking about 160 years of history that needs to be re-worked.

In your remarks, you said that there has been good progress so far. You said we were on a roll. There have been nine meetings of the ministers responsible for interprovincial trade, which is quite exceptional.

What I understand is that no one is against an agreement aimed at increasing domestic trade. We're at the stage of knowing how to do it, despite the barriers that have existed for a long time, and we have to do it together. When I say "together", it's without constraints. Do you share my view on this?

• (1140)

**Pascal Chan:** Exactly.

Our provincial chambers of commerce have written to the premiers of all the provinces to urge them to move forward with their efforts. That was in February 2025. Obviously, given the situation with the United States, it's becoming very complicated. Now, we want to make progress here at home.

As you said, the barriers have existed for 160 years—I didn't know that—but, as Mr. Mancini also said, the provinces have established their standards over all those years, and they have a reason for doing so: They're protecting themselves.

When comparing the standards of two provinces, and adding in federal standards, we can see that there may be overlap. Why continue that? Why not establish something that's good for both Saskatchewan and Prince Edward Island?

Naturally, there's work to be done. As I said, there were nine meetings last year between the ministers responsible for interprovincial trade. That's progress. The bills and all the other agreements under way are progress. We need to take advantage of this momentum to finalize agreements and complete the work.

**Steeve Lavoie:** Essentially, you share my opinion. We're working together to find solutions.

You also say that we must keep up the momentum. I find that interesting. What would be the three priority sectors?

**Pascal Chan:** I'd already mentioned labour mobility.

**Steeve Lavoie:** You're talking about workforce mobility, but is it for all sectors?

Are there sectors that you would prioritize for workforce mobility?

**Pascal Chan:** Sorry, I wasn't talking about workforce. What I'm really concerned about is trucking. I'm working on transportation.

Even if we manage to liberalize trade through regulation to transport goods across the country, it's still a very significant barrier. I know there's a pilot project right now, but it needs to become permanent to remove the barriers. This is very concerning for the vast majority of our members.

**Steeve Lavoie:** Can you name a second priority sector?

**Pascal Chan:** The financial services sector is also very important.

Ultimately, the administrative burden should be significantly reduced everywhere, especially for small businesses.

**Steeve Lavoie:** Yes, you're right when it comes to small and medium-sized businesses.

Mr. McCain, you mentioned health standards and said they were a barrier. You said that some were secondary. In fact, it's not a field that I'm necessarily familiar with. To help me better understand, can you give me some concrete examples of issues related to health and safety standards?

[*English*]

**Michael H. McCain:** I'm not a food safety professional, but I know what acceptable food safety standards are—what they look like and how they show up, operationally, in a manufacturing facility. The provincial standards are a patchwork across the country. They are not even in the same ballpark of standards, operationally. I think this would be widely recognized by the professionals at the CFIA and in any other jurisdiction that understands what the highest standards available are.

As a non-industry participant, you could walk through a federally inspected site, like any Maple Leaf plant, or any of the others, and witness a level of almost surgical cleanliness. Then walk through a facility that is provincially inspected. You would, very easily—as a layman—come to the conclusion that there are radical differences in the standards of care applied in those facilities. I think those differences are visible even to the naked eye.

• (1145)

**The Chair:** Thank you very much.

Go ahead for two and a half minutes, Mr. Savard-Tremblay.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

Mr. Chan, a 2025 report published by the Centre for Productivity and Prosperity at HEC Montréal, a strong supporter of trade, states that regulatory barriers play a fairly minor role when businesses choose not to participate in interprovincial trade. Their study also indicates that, of the 8.6% who do not participate due to such barriers, less than 1% actually cite regulations as the main reason, and say that the distance is more likely the issue.

First, do you have anything to say about that report that might temper your own conclusions somewhat?

Secondly, is distance a factor that you've explored and examined as well?

**Pascal Chan:** Excuse me, are you talking about distance?

**Simon-Pierre Savard-Tremblay:** Yes. The majority of businesses that don't engage in interprovincial trade say that distance is the main reason. In fact, less than 1% say that interprovincial barriers are the main reason.

**Pascal Chan:** That's absolutely right. In a country as vast as Canada, transportation will always be a challenge. The same is true for international trade.

As for the report you mentioned, I don't know if I'm familiar with it. I'm not trying to say that we disagree on the issue of distance, but we're somewhat echoing what we hear from our members of the 400 provincial chambers of commerce across the country, who say that it's very important to them.

**Simon-Pierre Savard-Tremblay:** I have no doubt that's what you've heard. However, you personally estimated the cost of the barriers at \$14 billion.

**Pascal Chan:** In fact, it's not our study, but we had estimated that distance could act as a tariff barrier of about 21%.

I can find the report for you.

**Simon-Pierre Savard-Tremblay:** Your organization offers a skills recognition plan that takes into account the specifics of each province and territory, particularly with respect to official languages.

As you know, of course, there's still the issue of respecting French and the rules for professional associations.

Could you give us any details in two and a half seconds?

**Pascal Chan:** Obviously, being a francophone myself, I find the French language and Quebec's rules very important. I don't want to try to diminish the importance for Quebec.

[*English*]

**The Chair:** Thank you very much.

We'll go to Mr. McKenzie for five minutes.

**David McKenzie (Calgary Signal Hill, CPC):** I would like to ask Mr. McCain my first question.

Sir, you indicated that with meeting CFIA standards—the Canadian Food Inspection Agency—you're federally regulated, so that part of your business is working well. I want to ask you about transportation. How often is that a problem for your business, if ever?

**Michael H. McCain:** I would hesitate to say it's never a problem. It's more a problem of access to the most efficient mode of transportation. Sometimes, with a particular location, we'd prefer to have, say, rail access directly to that location when maybe we don't. Those are illustrative of access points.

We don't generally have any restrictions attached to transportation systems, other than what I would describe as freight economics. When you're producing in Ontario and you want to ship to British Columbia, it's more costly than if you're producing in British Columbia. Those are all natural economics. They're not restrictions per se.

• (1150)

**David McKenzie:** That's fair enough. I'm just wondering whether there's room for improvement in our national transportation network and, in particular, whether there are things the federal government could be doing that would result in benefit to your business.

**Michael H. McCain:** I'm absolutely certain the answer to that is yes. I don't think that anything's optimized, but it's not a material impairment to our ability to achieve national distribution of our food products.

**David McKenzie:** Gentlemen, I want to ask you about this.

Mr. Chan, I think you mentioned that provincial ministers responsible for interprovincial trade really upped the tempo with respect to meetings. What I want to get at is why there's all the talk and so little result. Is it a question of time and resources? Are we not talking about some of the underlying business realities? Specifically by that, I mean a long-standing network of different provincial regulation.

Businesses react according to the environment that they operate in. Is it going to take more time to dismantle and allow businesses to make adjustments to a harmonized regulatory framework? Is that the real issue, or are we just not spending enough time and effort to harmonize more interprovincial regulation?

I'd be happy to have comments from both of you.

**Pascal Chan:** Absolutely. Thank you for the question, Mr. McKenzie. I appreciate it.

First of all, the meetings have been important. I do want to give credit where credit is due, especially to the provinces. I mentioned that our provincial chambers had stepped up and written to the premiers saying they wanted to see actions. They saw more meetings. We have seen memorandums of understanding signed between provinces. We saw the signing of the Canadian Mutual Recognition Agreement. All these things are steps in the right direction, and we hope to see more of it.

Yes, obviously the provincial patchwork, as Mr. Lavoie mentioned, is 160 years of trade barriers across provinces. When you layer up these issues to try to protect interests in your own provinces, it's going to take a lot of time to untangle that. I'm very encouraged by the momentum, but again, we have that momentum now and we can't let it slip through our fingers.

**David McKenzie:** Mr. Mancini, go ahead.

**Mark Mancini:** It's a wicked, tough problem. As Mr. Chan said, we have a knot here of years of built-up regulations duplicated across the provinces. We have a political impetus now that didn't exist once, but we're discovering it's hard to unravel that knot. It's just going to take some time. Again, I think the efforts have been productive and helpful, but there's more to be done.

**David McKenzie:** That's fair enough, and that's exactly what I want to get at. It can be difficult. It's not a "take a pill and everything is fine" situation. Frequently in life, that's the case.

Thus, how do we measure progress and make sure we're not just having great meetings, conferences and more talk without actually getting any results?

Could either of you point to an example of where it's gone well? I'm thinking about things like labour mobility and accreditation. I'm thinking about transport and harmonizing standards so that there's freer movement of commercial shipping across our country. Is there an area that provides a good model for us right now?

**Pascal Chan:** I'll take this first.

Of course, at the Canadian Chamber, we have the business data lab, which looks at real-time business statistics and runs the Canadian survey on business conditions with Stats Canada. With that, we're hoping we'll be able to track it, but in some things, for example Bill C-5, which came into effect just in January, we just don't have the sample size to give you a good answer.

We will be tracking this closely. We hope that maybe by Q3 or Q4 we'll have some real, tangible data to show you that this has or hasn't been working, and if it hasn't, what needs to change.

**David McKenzie:** That's excellent. Thank you.

**The Chair:** Thank you very much.

Madame Lapointe, you have the floor.

[*Translation*]

**Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** Thank you, Madam Chair.

Welcome, Mr. McCain, Mr. Chan and Mr. Mancini. Thank you for being here.

Mr. Mancini, you spoke earlier about an agency. If we settle everything related to the various barriers, would you suggest that this agency have a deadline for resolving the differences between the provinces, the territories and the federal government?

[*English*]

**Mark Mancini:** Our proposal is that the agency would remain on the books to maintain the removal of the barriers, especially on the topic of mutual recognition. There could always be new changes in provincial regulatory laws that make one province different from another. Then the agency would be asked to adjudicate: Can we establish equivalency on these goods, or do we need a harmonized rule? The agency would always be there to monitor the implementation of these barriers and their removal.

• (1155)

[*Translation*]

**Linda Lapointe:** Okay. Thank you.

Mr. Chan, there's a lot of talk about labour mobility in the construction sector. Do you find that it's mainly due to building codes that differ from province to province and in the territories? Is that something that needs to be looked at?

**Pascal Chan:** Yes. Moreover, it's not just an issue related to interprovincial trade, it's also about the housing crisis.

It can be very complicated to ask our builders to change their standards under the electrical code, the building code and the fire code. We know that the National Research Council has its national code, which was then amended and adopted by the provinces and differs from one province to another.

We have builders who do business in several provinces and who do need to change their operations depending on where they're building. It's very complicated in terms of costs for developers and the capacity to build more units.

This means that it's not just about interprovincial trade.

**Linda Lapointe:** Clearly, there must be differences in terms of climate when building in Quebec compared to the Northwest Territories and Yukon.

**Pascal Chan:** Yes.

**Linda Lapointe:** Thank you.

Mr. McCain, for your information, I sold your products. My father and I had supermarkets, and we sold your products. They were good products. There were never any recalls.

You piqued my curiosity earlier. You mentioned the listeriosis outbreak, and I checked the report earlier. Is the fact that there were slaughterhouses subject to provincial health regulations, but that there are also federal regulations, a factor that explained the listeriosis outbreak?

[English]

**Michael H. McCain:** No. The reason that's true is that two things have changed since then. The first is that the federal regulatory framework has been elevated. The harsh reality at the time was that the federal regulatory framework for food safety, specifically in the listeria monitoring programs, was satisfactory but not world-class in Canada.

We were in compliance with the regulations and frameworks that existed at the time, yet there was still a failure. We were accountable for that failure. We chose, along with others in the industry, to work collaboratively with the federal government and industry to elevate the entire Canadian food safety system through the CFIA. I think everybody who is a participant in the federal system is proud of what we have accomplished in the last 15 or more years.

[Translation]

**Linda Lapointe:** Let me say, well done.

You mentioned that there are different food processing plants, but when you're in Mississauga, can you sell your products across Canada without any problems?

[English]

**Michael H. McCain:** That's correct. If it's a federally approved and inspected facility, you can sell anywhere in the country, and roughly 95% of all the food produced in Canada is federally inspected. It's the 5% that is provincially inspected that should be everyone's concern. Right now, that is limited in its growth, because they cannot ship across provincial borders and, I would emphasize, should never be allowed to.

**The Chair:** Thank you very much.

[Translation]

**Linda Lapointe:** Thank you everyone.

[English]

**The Chair:** Thank you to Mr. McCain and our other speakers today. It was very informative.

I will suspend for a minute so we can get our other witnesses to the table.

• (1155)

(Pause)

• (1200)

**The Chair:** I call the meeting back to order.

We have with us today Paul Daly, university research chair, administrative law and governance, faculty of law, University of Ottawa. From the Canadian Construction Association, we have Rodrigue Gilbert, president. From the Canada West Foundation, we have Charles De Land, vice-president of research, by video conference.

Welcome to you, all.

Mr. Daly, I invite you to make opening remarks of up to five minutes.

[Translation]

**Paul Daly (University Research Chair, Administrative Law and Governance, Faculty of Law, University of Ottawa, as an individual):** Thank you, Madam Chair. I also thank the committee members.

[English]

I am Paul Daly, a professor at the University of Ottawa, and I'm appearing in a personal capacity.

I will make a simple claim: Canada is not, in any meaningful sense, a single economic market. This is a problem that we have the tools and, I would say, the responsibility to fix. Across this country, goods, services, workers and capital still encounter barriers at provincial borders. A product lawfully sold in one province may not be sold in another. A qualified professional may not be able to practise across a provincial line without recertification. Firms that can compete globally are often tripped up domestically. These are not marginal frictions. They are structural constraints on productivity, growth and resilience. At a time when Canada faces external economic uncertainty, we are still leaving enormous gains unrealized within our own borders.

The question is not whether internal trade matters. It's how to achieve it. The paper I wrote with Professor Mancini makes a legal point that is sometimes overlooked in public debate: There is no simple unilateral solution. This is not a counsel of despair. It is a clarification of where the opportunity lies. The Constitution allows something more powerful than federal unilateralism, and that is co-operation. Parliament and the provinces acting together can build institutions capable of delivering genuine economic integration through shared administrative bodies, mutual recognition regimes and regulatory harmonization. In other words, the path forward is not federal imposition but rather joint construction.

This brings me to a broader point I want to emphasize this afternoon: This is not a project that belongs to one party, one ideology or one region. Properly understood, it speaks to the deepest commitments of all of them.

For those on the government side, this is a nation-building project. Confederation was meant to be not only a political union but also an economic one. Completing the internal market is, in a very real sense, completing the work of building Canada.

For Conservatives, this is a project of economic liberty. Internal trade barriers are government-imposed restrictions on the ability of Canadians to work, trade and compete. Removing them is not deregulation for its own sake. It is the restoration of freedom within the constitutional order.

For New Democrats and Greens, this is about fairness and opportunity for workers who cannot move, small businesses that cannot scale and consumers who pay higher prices. A more open internal market is not only more efficient but also more equitable.

• (1205)

[*Translation*]

For the Bloc Québécois, there's a long-standing tradition based on the principles of support for free trade internationally and within Canada. Ensuring that producers, workers and entrepreneurs in Quebec can access markets across the country on fair terms is entirely consistent with that tradition.

[*English*]

There is, I think and hope, a genuine possibility of common ground. Our proposal is deliberately pragmatic. We suggest the creation of a joint framework and administrative body empowered within clear limits to require mutual recognition where possible, develop harmonized standards where necessary, and identify and remove unjustified barriers. This would not eliminate provincial autonomy. It would coordinate it and ensure that the exercise of regulatory authority in one province does not unnecessarily impede the economic life of another.

Let me close on this. Parliamentary committees do important work. Much of it, necessarily, is incremental, but from time to time, there are moments when something more ambitious is possible, when structural reform is within reach. Internal economic integration is one of those moments.

If progress is made here, with meaningful steps toward a genuinely open Canadian market, this will be remembered as a significant act of national renewal that strengthened unity, expanded liberty and improved the everyday economic lives of Canadians. That is an opportunity that lies in no small part with you.

Thank you very much.

**The Chair:** Thank you, Mr. Daly.

Next is Mr. Gilbert, please.

**Rodrigue Gilbert (President, Canadian Construction Association):** Good afternoon, Madam Chair and members of the committee.

My name is Rodrigue Gilbert. I'm the president of the Canadian Construction Association, representing over 18,000 construction firms from across Canada involved in building and maintaining Canada's institutional, commercial, industrial, civil and multi-residential infrastructure. I'd like to thank you for this opportunity to raise some key issues facing our industry with respect to free trade within Canada.

The industry employs over 1.6 million Canadians and is responsible for nearly \$170 billion in economic activity annually, representing 73% of the country's GDP. Construction, as you know, is a

highly complex ecosystem of small and medium-sized to large businesses. A typical project brings together dozens of subcontractors that companies must coordinate across jurisdictions, timelines and regulatory frameworks to deliver a single asset.

Many of our members already operate across provincial and territorial boundaries. Projects may take them to major urban centres or remote and northern regions. Either way, firms must routinely mobilize workers, equipment and materials across Canada. This is challenging when productivity is undermined by a patchwork of rules and requirements just to get qualified workers and materials to site.

For construction, internal trade barriers are felt immediately and on every project. They affect whether materials and equipment can move quickly to a job site, whether skilled workers can follow work across provincial borders and whether projects are delivered on time and on budget.

The IMF estimates that fully eliminating internal trade barriers could boost Canada's real GDP per worker by up to 7%. This is a powerful reminder that internal trade reform is critical to our national prosperity.

• (1210)

[*Translation*]

We acknowledge the measures recently adopted by the federal government, such as the Free Trade and Labour Mobility in Canada Act, which came into effect on January 1, 2026. We welcome these measures, which improve access to federal public markets and the regulatory recognition of certain goods and services. However, they have little direct effect on the daily reality of the construction sector, particularly in relation to the transportation of equipment, materials and workers from one province to another.

[*English*]

Canada's geography makes domestic transportation extremely costly. Shipping within Canada can cost three times more than it would between Canada and the U.S. This highlights the need for a national strategy that goes beyond strengthening our access to international markets. The trade diversification corridors fund is a positive step, but delivering results will require a comprehensive Canada trade infrastructure plan to better integrate our trade gateways and align jurisdictions and transportation networks.

Moving equipment and labour between provinces is also costly and complex. Provinces control highway use permission, requiring separate oversize and overweight permits for commercial vehicles. Truck inspections are also not automatically recognized across jurisdictions, and contractors must repeatedly comply with different inspections, insurance, licensing and safety certifications, even if they meet comparable standards in other provinces.

Construction depends on labour, but the movement of labour is severely restricted. Workers are regulated at the provincial and territorial levels, creating barriers tied to licensing and apprenticeships. Red Seal workers are allowed free mobility, but that covers only 54 trades, and not all provinces participate in the program. Training and apprenticeships also do not transfer easily between jurisdictions.

On top of this, Canada has 14 separate occupational health and safety frameworks, adding another layer of complexity—

**The Chair:** Mr. Gilbert, can you hold on for one minute? I think we have a translation problem.

I apologize. Please continue.

**Rodrigue Gilbert:** On top of this, Canada has 14 separate occupational health and safety frameworks, adding another layer of complexity for both workers and employers. Beyond labour and equipment mobility, differences in building codes and standards create additional barriers. Although national model building codes exist, interpretation and acceptance of products varies widely. This fragmentation limits economies of scale, slows innovation and contributes to low productivity growth in construction.

In closing, from our industry's perspective, improvements to internal trade should focus on harmonization and collaboration. This includes reducing barriers to how equipment, workers and materials move across this country, greater alignment and mutual recognition of credentials across provinces, increased consistency in health and safety requirements, and continued work towards harmonized building codes and standards.

Most importantly, if Canada wants to unlock internal trade, boost productivity and deliver housing and major nation-building infrastructure faster, meaningful engagement with the construction industry is essential to developing practical solutions.

Thank you for the opportunity.

**The Chair:** Thank you very much.

Mr. De Land, go ahead, please, for up to five minutes.

**Charles De Land (Vice President, Research, Canada West Foundation):** Thank you, Madam Chair.

Good afternoon. I represent the Canada West Foundation, and we are grateful for the opportunity to speak to this committee.

The Canada West Foundation is a non-partisan think tank whose vision is to advance western Canadian interests by working with governments, industry and partners to build a stronger, more united and prosperous region—one that powers Canada's future.

In this time of disrupted trade relationships and falling productivity, reducing Canada's internal trade barriers is more important than

ever, but even without those challenges, Canadian internal free trade should be a national goal. A recent International Monetary Fund report, as you've heard, estimated that Canada could gain over \$200 billion, or 7% in GDP, by fully removing barriers. This report estimates that regulation-related barriers impose the equivalent of a 9% tariff on Canadians.

Encouragingly, Canada is taking positive steps. While acknowledging those actions, it is important to remain focused on long-term implementation and expansion toward a fully free system. For example, Canada should speed up its plan to eliminate trade barriers for food and alcohol, and it should do the same for services, with instant recognition of valid credentials for people from other provinces.

We welcome the government's removal of all of its 53 federal exceptions to the Canadian Free Trade Agreement, an action recommended by our past research. We also welcome the Canadian Mutual Recognition Agreement on goods, which critically moves away from a historical system of asking for permission to one of inclusion by default, in which those seeking an exception must put forth strong evidence for why they should be excluded. Inclusion and open markets should be the default.

More can be done. The CMRA excludes food and alcohol. While the memorandum of understanding on direct-to-consumer alcohol sales is supposed to be implemented by May 2026, we recommend bringing alcohol under CMRA for a more robust solution. Under the Safe Food for Canadians Act, interprovincial food trade must meet the same threshold as exports. While this has helped provide regulatory consistency, it has limited the ability of small and medium-sized enterprises to scale up, particularly in western Canada, as they do not have access to provincial markets the size of Ontario and Quebec. Bringing agri-food under the CMRA or a similar mechanism would mean that any product meeting provincial standards could be sold elsewhere in Canada, making food more available to and more affordable for Canadians.

Efficient trade is especially important in supply-managed agricultural sectors, given the high prices Canadians pay as a result. The Canadian government—unfortunately, in our view—appears to remain committed to supply management in dairy and poultry. However, given that a Canadian egg and chicken farmer in the west or elsewhere meets federal safety standards, they should be able to sell their products to their fellow Canadians, no matter where they live.

We support the initiative by the committee on internal trade to expand mutual recognition to services by the end of the year. A Canadian in good standing with their provincial body should be welcomed by any province, expanding employment opportunities and boosting productivity by getting the right person in the right job.

While the momentum is now strong, it needs to be sustained. The Canada West Foundation has previously called for an independent, federally funded internal trade bureau to collect data, update the public on progress and identify and investigate where regulations are more strict than they should be. This bureau would serve as a means to promote internal trade, much like the Competition Bureau does.

Finally, Canadian companies need to be able to effectively move their products and materials to those who wish to buy them, whether it's Saskatchewan farmers selling wheat to industrial bread producers in Ontario or a Nova Scotia tire maker selling to a Belgian driver. This means making smart and strategic investments in trade infrastructure.

Our research has previously recommended bringing the federal government and provinces together to develop a national trade infrastructure plan. Such a strategy could better define Canada's national trade corridors, establish clear criteria for potential projects of national significance and engage the private sector in identifying opportunities for co-operation.

Reducing Canada's internal trade barriers would result in a significant tax cut, boosting Canadian household incomes by thousands of dollars each year.

Thank you for your time. I welcome your questions.

• (1215)

**The Chair:** Thank you very much.

Mr. McKenzie, you have six minutes. Go ahead, please.

**David McKenzie:** Mr. De Land, I'm wondering if the Canada West Foundation and perhaps you yourself are feeling that everybody has finally come to the party that you all called back in 2019. A report tabled by the Canada West Foundation at that time identified five barriers, and you've touched on several of them today.

One that was identified back in 2019 was a lack of political will around this issue.

Do we finally have the effort under way now?

**Charles De Land:** It seems like there's good momentum, and I think this was echoed by some of the other folks. I think there's good momentum in effect, and there's been a lot of movement. That is encouraging, and we welcome it. The Canada West Foundation and I feel the need now is for implementation and follow-through to make sure this is all in place.

**David McKenzie:** Specifically on that point, something called the Major Projects Office was created last year for the purpose of facilitating major projects.

Do you have a view as to its effectiveness to date?

**Charles De Land:** It's still ramping up, from what I understand. I don't have a deep knowledge of exactly how it's working. It's doing its business, as far as I understand. We're hopeful that it will do what it aims to do in terms of getting faster approvals for major projects. That's where I'll leave it for now.

**David McKenzie:** Mr. De Land, my riding is in Calgary, Alberta, and my riding, all of the province of Alberta and, indeed, the western provinces make Canada a global energy producer and exporter, particularly of crude oil.

Do you have a view on the prospects for an additional export pipeline to the west coast of Canada?

• (1220)

**Charles De Land:** I know that talks are under way and there's a memorandum of understanding, obviously, between Alberta and the federal government. I feel that as long as we can reduce the barriers and the private sector can do its work and have clarity on the regulations for a very long, multidecade period of time, I see no reason why Canada shouldn't be able to take its place in the world.

**David McKenzie:** Do you share my view that if the regulatory framework were simply hospitable to the prospect of an additional export pipeline, private industry would step in and take it from there?

**Charles De Land:** Yes, that's generally my view.

**David McKenzie:** Would a requirement for the hospitality to the concept of an additional export pipeline include the removal of the oil tanker moratorium that presently prohibits loading and unloading of tankers of the scale necessary for international shipments, on the northern B.C. coast specifically?

**Charles De Land:** That is something the Canada West Foundation has called for. I think there's a way to do that to protect the environment and allow for deepwater shipping.

**David McKenzie:** Is that a complex issue from your perspective, or one that's within our grasp right now with the expertise we currently have as a nation in shipping, the high standards employed in our industry and, frankly, the general interest, given that I've yet to meet a Canadian who doesn't care about the environment? I'm talking specifically about our west coast environment in this case.

**Charles De Land:** I agree. It's universally shared by Canadians, and I see that it is possible, with our strong technical folks, to overcome this.

**David McKenzie:** Thank you. I appreciate those comments.

Mr. Daly, on the question around an agency, I wonder about its possible depth. Could it be the agency that collects that data and provides a knowledge base for provinces as a resource, to identify and eliminate barriers and make recommendations but also provide the information and the data required to make sound decisions?

**Paul Daly:** Absolutely. I think it's much more important that this agency have the power to bind—that is essential—and that there be mutual recognition, so that if there is an electrician who is changing a light bulb in Saskatchewan, they can go to Ontario to change a light bulb, and if Ontario turns them back, they can get a remedy from this agency. That is critical.

If it has to be harmonized standards, I want to observe that Mr. McCain spoke about mutual recognition, but there are two mechanisms for ensuring free trade. It's not just mutual recognition; harmonization is also a possibility. You don't necessarily have to have a race to the bottom across all of these areas. Information, knowledge and expertise are absolutely crucial and should be shared not just with the provinces but also with the public. These are important matters of public debate.

Absolutely, what you should have is an agency with expertise that is publicly available and accessible. That is absolutely fundamentally important, along with that power to bind.

**David McKenzie:** We've noted here—and it's been discussed this morning with the previous panel as well—the constitutional realities of our country, areas of jurisdiction and responsibility between provinces and the federal government.

For an agency to have the ability to impose a binding result, that would require, I presume, something almost like an international agreement, where parties voluntarily sign on. It is, to a degree, a ceding of jurisdiction to put it in the hands of that agency.

Is that what would be required in Canada? Is it an agreement that binds the provinces?

**Paul Daly:** I'd certainly have to say that if you want something that binds the provinces, they will have to sign up. It's also important to note that, depending on how you structure the agency, you can have significant provincial involvement in the operation of that agency. You could set it up so that any time the agency proposes something binding in terms of mutual recognition or harmonization, there would have to be a majority or even a supermajority, if you like, of provinces that go along.

It is not a situation where you're going to set up an agency and the provinces will disappear into the ether. They are the foundation, and they would remain foundational through the work of this agency.

**The Chair:** Thank you very much.

Mr. Lavoie, go ahead for six minutes, please.

[Translation]

**Steeve Lavoie:** No, it's Mr. Naqvi's turn.

[English]

**The Chair:** Oh, it's Mr. Naqvi. Terrific. Thank you.

**Yasir Naqvi (Ottawa Centre, Lib.):** Thank you, Chair.

Thanks to all the panellists for being here. I really appreciate it.

Professor Daly, I'll start with you. You teach at the University of Ottawa, my alma mater. I had the honour of teaching there as well, so it's good to see some important local expertise here.

I was looking at your bio, and you have what seems like very extensive experience in common-law-oriented countries—some of them are federations as well. I wanted to engage you in a dialogue on the realities of a federation like Canada.

When you are looking at breaking down barriers, whether it's mutual recognition or harmonization, it very much requires, depending on how the constitution is structured—and ours in particular—a very sophisticated level of coordination and understanding between the federal government and the provinces and territories. In other words, unilaterally, you have very limited capacity and power to do that.

Would you elaborate on that, please?

• (1225)

**Paul Daly:** As you can tell from the accent, although I'm Canadian and I live in Ottawa, I didn't grow up here. I grew up in Ireland, in the European Union, and I can still remember—in my lifetime—trading posts, customs, and actual trade and trading barriers within Europe on the island of Ireland and on the continent.

They're all gone. They were systematically dismantled after the Maastricht Treaty and through the Treaty on European Union and various other treaties, because there was significant political will to do it across the European Union, but also because there was an understanding that what you need are legal tools like mutual recognition and regulatory harmonization. These are the things that allow people, services, goods and capital to move across borders.

I spoke to provincial buy-in and provincial participation. In a federation, it's always critical that there's involvement at all levels by all the players, but there does have to be that central power to bind in order for any of this to be effective. Proceeding, as Canada has done heretofore, on the basis of goodwill and free trade agreements that are non-binding will be insufficient.

All that said, in the European Union, for example, one of the core principles of the European Union is subsidiarity. Decision-making authority should be exercised at the lowest possible level, where possible, and that is a principle that would form part of any Canadian equivalent to a European Union approach based on harmonization and mutual recognition. There would still be a role for provinces in contributing to the elaboration of standards and their enforcement.

**Yasir Naqvi:** I appreciate your answer.

You cited the example of the European Union, but all those treaties were a result of extensive negotiations and agreements. I don't recall—and my knowledge may be limited compared to yours—that there were unilateral decisions being made by one or two states within the European Union with the hopes that others would join.

**Paul Daly:** That's true, but we need to compare apples with apples. In Canada, the initiative here has to be federal if you want to do something like this, if you want mutual recognition and if you want regulatory harmonization. The first pillar here would be set down by Parliament. Yes, in negotiation, yes, in partnership, but, fundamentally, the first step is for Parliament to act. If Parliament doesn't act, we're never going to get an integrated regime.

**Yasir Naqvi:** So that I'm absolutely clear, your suggestion is that the federal government, through the power of Parliament, should create such an agency with the hopes that the other provinces and territories may join. It should give actual power, which would be necessary to do the coordination, whether it would be harmonization or mutual recognition.

**Paul Daly:** Yes, something like that was what the Supreme Court was considering in the pan-Canadian securities reference, a national securities regulator. There was some planning and buy-in already from several provinces when that came before the Supreme Court.

I would expect that Parliament would.... I would expect there would be some buy-in from the provinces. You're not just going to go off on your own. Fundamentally, Parliament is a key player in moving forward with a scheme like this.

• (1230)

**Yasir Naqvi:** Intellectually, I get what you're saying. From the legal perspective, I'm struggling from the political variables that exist within our federation for something like that to—I'll say it colloquially—fly within the Canadian federation.

**Paul Daly:** “Perfect is the enemy of good” is what I would retort with. Yes, it would be nice to have everyone on board and everyone acting at the same time, but the realities of a federation are often significantly messier than that.

**Yasir Naqvi:** I can't wait to get my Bloc colleagues' point of view on such a suggestion.

Thank you.

**The Chair:** Next, we have Mr. Savard-Tremblay for six minutes, please.

[*Translation*]

**Simon-Pierre Savard-Tremblay:** Thank you, that's a very nice transition.

I'm glad to hear the enthusiasm from my colleague across the floor for what I'm going to say on these issues, but the stars are, of course, our witnesses today.

Mr. Daly, it must be noted that you did mention Quebec's history of free-trade and the independence movement. Separatists like Jacques Parizeau and Bernard Landry were among the first to push for free trade with the United States in the 1980s. Long before it became well-known, before it became fashionable, it was the great economists of the sovereignist movement who pushed for it. Then, the government of Jacques Parizeau also signed a free-trade agreement with the rest of Canada. The sovereignty project has always included a partnership or association with the rest of Canada. We don't need any convincing in that respect. We agree. We are in favour, but that doesn't mean under any conditions. There are agreements that won't be as good. When we've opposed free trade

agreements, very rarely in history, it wasn't on the principle of free trade itself, but on other contentious aspects. The idea of trade as such therefore poses no problem for us.

The issue is harmonization. We fear that there might be a Trojan horse in there and that it's a forced harmonization.

Behind this idea of an agency that your colleague mentioned in the first hour, there's still the issue of how to balance constraints and respect for skills. This is never easy.

In the case at hand, while we say that it doesn't threaten the autonomy of the provinces, what do we do, for example, if there's an encroachment, a conflict between an economic consideration and a social, cultural or identity consideration? The main issue would be who would do the arbitration. Who would make a decision in that case?

**Paul Daly:** That would be a question for the agency.

First of all, harmonization or federal action does not necessarily mean denial of, let's say, a province's linguistic interests.

For example, at the CRTC, the Canadian Radio-television and Telecommunications Commission, there are fairly strong broadcasting policies related to Canadian content and language requirements. I would hope that such a measure could be implemented for any effort at harmonization or mutual recognition in internal trade as well.

It's true that, at some point, someone has to make a decision. However, it's possible to create such an agency and define its powers. There could be reference to social interests or differences, to the distinct character of a province. All that can be included in the legislation to define the agency's work.

That said—and I'm sugarcoating it a bit—it must be acknowledged that, at some point, someone will need to make a decision, the agency will need to make a decision. Even if a province is a party to the agency and takes part in developing a regulation, among other things, there could, at some point, be some tension. That's clear. Everyone should then ask themselves whether the value, the added value of free trade, justifies certain sacrifices. On that, even an independent Quebec would face such choices in its foreign relations with the world.

**Simon-Pierre Savard-Tremblay:** Yes, absolutely, it goes without saying. An independent Quebec—like any independent country that negotiates—will sometimes make mistakes and other times succeed. It would be a game of negotiation. That's obvious.

What we want to be sure of is that this is not due to the lack of leverage on the part of Quebec as a province—at least for the time being, and, I hope, for as short a time as possible.

However, in the current situation, if that type of decision were made, would we have a say? You cited the example of the CRTC. You say that it would be possible to include requirements related to content and language, among other things, but it remains centralized at the federal level. This means that, even if there's a concern about a cultural distinction, the province has no independence with respect to that culture.

That's kind of how I understand what you're saying.

• (1235)

**Paul Daly:** That's true, but we also need to remember something.

I'm Irish. When I go back to Ireland, which has been part of the European Union for about fifty years, I'm in Ireland. I have my own distinct culture. I have Irish customs.

When I'm in France, I'm in France. I'm in a country where there is a strong tradition of protecting its linguistic and cultural identity. These things don't necessarily disappear in an economic union.

If I were a Quebecker, I would draw some comfort from the experience of the European Union in this respect.

**Simon-Pierre Savard-Tremblay:** The idea of being in a large market or an economic union isn't a problem, as I was telling you, and you yourself said so in your opening remarks.

As a movement, it's part of our traditions. We are resolutely in favour of it. We also have great admiration for the Irish people. They're an admirable people in every way. I wanted to say that. By the way, the green on the Patriotes flag represents the contribution of the Irish.

However, shouldn't it be made clear—in this case, at an early stage—that there is a certain threshold that should not be encroached upon, and that this should be incorporated into the regulations of any such agency from the outset?

[*English*]

**The Chair:** I'm sorry, but we've run out of time.

Next, we have Mr. Groleau for five minutes, please.

[*Translation*]

**Jason Groleau (Beauce, CPC):** Thank you, Madam Chair.

Good morning, guests.

Mr. Gilbert, in March 2025, Mr. Carney met with the premiers of the provinces and stated that he was removing interprovincial trade barriers. In your opinion, are there still interprovincial trade barriers in Canada?

**Rodrigue Gilbert:** Yes, we have many interprovincial barriers.

When the barriers were removed, it was initially a step in the right direction, and I think we need to acknowledge what's been done. However, it must be understood that it had a very minor impact on the construction sector. As you know, there's certification, there are all the building codes, the regulations in all the provinces and even the cities—some municipalities have many—which makes it very disparate nationally.

We still have a great many interprovincial obstacles to improving these services.

**Jason Groleau:** You talked a lot about transportation and the fact that transporting materials like wood between provinces is complicated. Can you provide more details, please?

**Rodrigue Gilbert:** Of course.

There's a reason why integration with Americans has worked very well for many years. It's a matter of proximity. I'll use steel as an example, but it could be wood, it could be aluminum, it could be just about everything. Transporting steel beams from Ontario to the west can sometimes cost seven, eight or ten times more than if the materials came from the United States, even if western Canada were to pay all the current and return customs fees. Due to the proximity, it's even more expensive.

There's another problem in Canada that's important to mention: The state of our infrastructure for transporting goods in Canada is, at best, in disrepair.

The Canadian government is about to issue its Buy Canadian policy, which industry supports. I think it's important to support our Canadian producers. That said, it should be understood that the current transportation costs and methods are not adequate to serve all of Canada. While the government's investing in infrastructure, there's a cost attached to every project to be built. That must be acknowledged.

**Jason Groleau:** I'm from Beauce. We're on the American border and it's easy to transport things. North-south transportation has always been easier than east-west transportation.

On the other hand, you just said that, even if the west were to pay all the fees, it would still be more expensive. Why is that?

**Rodrigue Gilbert:** It's the proximity. Beauce is the best example we can use because it's next to the United States. Even with all the tariffs and countermeasures in place right now—unfortunately, I don't have a specific example for Beauce—I'm certain that it will still be cheaper to bring some materials in from the United States.

Does that mean we shouldn't buy here and support Canadian producers? Absolutely not. You know, removing those barriers and encouraging our supply chain is something that should have been done sooner. We should have been working on that 50 years ago. Now, it's too late, we're in a crisis. It needs to be done.

Those costs still have an impact today. It will take an entire decade before transporting all materials from east to west might become profitable for a project.

• (1240)

**Jason Groleau:** I have one last question for you. I'd like to hear your opinion on labour mobility between provinces. It seems complicated.

**Rodrigue Gilbert:** Indeed, it's very complicated. It's a matter of regulation, certification and recognition of all workers across Canada. Each province has its own recognition program. Each province has its own certification. Each province has its own occupational health and safety program.

Worker mobility is becoming increasingly complicated. It must be understood that construction is very complex. There are highly specialized people who you're trying to move from one place to another to carry out major projects. However, these people aren't always able to qualify or get certified within a reasonable time to be able to work on construction sites.

It was a problem many years ago. Now that projects are growing and expanding, it's even more important.

**Jason Groleau:** Do you have any concrete solutions?

**Rodrigue Gilbert:** I think there needs to be complete harmonization across Canada. I think there's a will for that. I often hear about provincial and territorial issues, but I think there's a will for it at the moment.

I was in British Columbia last week to meet with the provincial government. Right now, I think the provinces are willing to harmonize these things. Things need to be more efficient, and there's no time to lose.

When there's a housing crisis, the workers simply won't be there to deal with it.

[English]

**The Chair:** Thank you very much.

Next, we have Mr. Lavoie for five minutes, please.

[Translation]

**Steeve Lavoie:** Thank you, Madam Chair.

I thank the witnesses for taking the time to be here with us. We're very grateful to them.

Mr. Daly, I have the same question as my colleagues: Why create an agency? I'm asking you because, based on what we've heard from the witnesses, there's a desire for harmonization and there are meetings like never before. Moreover, all provinces share the desire to work together, to do it together, without constraint.

Why is it so urgent to have an agency today, so quickly?

Maybe, if it doesn't work after five years, we'll have to start thinking of a plan B, but with what's happening and with how most people feel, what's the urgency? I want to understand.

**Paul Daly:** I'd say it's been 160 years, and it still doesn't work. It could still be said that—

**Steeve Lavoie:** However, that desire was never there. No prime minister has ever said it that clearly. Measures are already in place. You can sense that there's momentum. That may not have been the case as much in the last 160 years.

**Paul Daly:** There have been free trade agreements within Canada for quite some time. However, we can see that, without binding authority under those agreements, we're still talking about free trade within Canada.

However, it's been done elsewhere. We've seen what can be done with political will, but also with binding tools, in Europe. I therefore believe that there's still an urgency in this respect.

**Steeve Lavoie:** With respect to the idea of binding authority, I think the word “binding” is a bit off-putting in business. People want to engage in free trade and, fundamentally, want to get along. So, I have a bit of a hard time with the word “binding,” but thank you for your response.

Mr. Gilbert, what measures would you propose? I'll ask you to be a bit more precise when talking about the short, medium and long terms. I call short-term measures quick wins. It's what we're able to do quickly, without too many limitations or existing measures in the provinces. What could we do quickly? Then, what would the next steps be, in the medium and long terms?

If you try to do it all at the same time, it can take three or four years before anything will get done. Do you recommend a gradual approach instead?

**Rodrigue Gilbert:** Yes, I think an easy win would be to harmonize worker accreditation. I think that would be the measure we could implement the fastest. I think there's a will to do it. We can see that: The provincial ministers of employment met a few weeks ago and quickly established standards on it.

The other thing is, I think it will take federal leadership. I'm not sure I'd go as far as creating an agency, but it will take federal leadership to harmonize all the standards, whether in health and safety or in relation to building codes. There are so many building codes that the number changes every day.

There's also everything related to transportation. Transporting materials from one province to another is complicated. I could come talk to you about the trucking industry; it's extremely complicated. I think that's the medium term.

In the longer term, over four or five years, or in another term, I think we'll need to fully harmonize our trade. It's been 160 years, and it should have been resolved 159 years ago. However, that's where we are. I think the Americans have now given us the courage and the opportunity to do it among Canadians. I think it's time to do it.

● (1245)

**Steeve Lavoie:** Yes, you're right. It always takes a crisis to see where the opportunities are; you know that as well as I do. With other witnesses, there's been a lot of talk about market diversification. There was often talk of diversification in relation to businesses, clients or suppliers, but talking about diversification within the county was not common practice. The current context is therefore changing the paradigms and how we do things.

Thank you very much, Mr. Gilbert.

Mr. De Land, I have a quick question for you. In your opinion, which sector would benefit the most if domestic trade were made easier? Which three sectors would quickly benefit the most and see the greatest efficiency?

[English]

**Charles De Land:** I will piggyback on some of the previous comments and say, in particular, that services, broadly, are one key thing, as Mr. Gilbert mentioned. The second would be trucking and transportation, which are very important. I think agriculture and agri-food would be the third.

**The Chair:** We'll go to Monsieur Savard-Tremblay for two and a half minutes.

[Translation]

**Simon-Pierre Savard-Tremblay:** Thank you.

Mr. De Land, in your brief to the Privy Council Office, you recommend the creation of joint competency appraisal bodies to improve labour mobility—you also mentioned this today—particularly for newcomers.

You might say that I often come back to this matter, but is there room for the idea of a separate system for appraisal or recognition of skills when language or civil law are at stake?

[English]

**Charles De Land:** I might have to defer that question. I'm not an expert on the language in immigration. I'm sorry. I can't be very helpful.

[Translation]

**Simon-Pierre Savard-Tremblay:** Yes, but your brief to the Privy Council Office was largely about that, the idea of labour mobility.

[English]

**Charles De Land:** The Canada West Foundation did...prior to my joining this organization. Broadly speaking, the ability for people to move between provinces and apply their trade, if they're credentialed, is a good thing for the provinces, notwithstanding the local regulations.

[Translation]

**Simon-Pierre Savard-Tremblay:** In fact, in your brief, you mention that there are valid barriers. You say that. The example cited is the obligation to provide services in French in Quebec. You say that it can be a trade barrier, but that it's best to keep it and not a good idea to abolish it.

That's why I wanted to hear a bit more about that from you. Let me know if you are unable to talk to us about it, but I would have liked to hear from you on that.

[English]

**Charles De Land:** I'm sorry. I don't think I have the knowledge to adequately go into detail on that question.

[Translation]

**Simon-Pierre Savard-Tremblay:** I don't know if anyone wants to step in on this specific question.

**Paul Daly:** I can go back to the example of France again. If I'm a lawyer in Ireland, can I automatically go to France to practise civil law? No. There are still requirements to be met, and it would be the same here, with the Barreau du Québec and civil law.

[English]

**The Chair:** Thank you very much.

Mr. Mantle, you have five minutes, please.

**Jacob Mantle:** Thank you, Madam Chair.

Thank you to our witnesses for their valuable testimony on this topic.

I have a simple question to start.

Mr. Daly, do we have free trade in Canada right now?

**Paul Daly:** As I understand it, we do not.

**Jacob Mantle:** Thank you.

Mr. Gilbert, do we have free trade in Canada right now?

**Rodrigue Gilbert:** No, we don't.

**Jacob Mantle:** Finally, Mr. De Land, do we have free trade in Canada right now?

**Charles De Land:** No, we don't.

**Jacob Mantle:** Thank you.

I suspected that was the case, but I've been asking each witness that very same question.

Mr. De Land, I want to ask you a bit about some of the internal trade barriers, and we saw the Government of Canada remove the exceptions that it had in the CFTA. Do you have a sense of how impactful that decision was in the grand scheme of internal trade barriers in Canada?

• (1250)

**Charles De Land:** My sense is that, by itself, it's marginal, but I would say that it's a leadership step, and it sets the tone. It sets the expectation of what might happen with the provinces and other participants, which is a good thing.

**Jacob Mantle:** Thank you.

Mr. Daly and Mr. De Land, you can both answer. What further leadership do you think that the federal government can offer in this respect? Other than simply further negotiations and further discussions, are there concrete things that the federal government has within its power that it could do to further the goal of removing these trade barriers?

**Paul Daly:** Your colleague, or it may have been you, mentioned spending power earlier. You can essentially bribe the provinces into deregulating if you want.

Otherwise, as I was saying to your colleague Mr. Naqvi, Parliament can move ahead with legislation to establish a joint federal-provincial agency, and the provinces can join up. I think that, with momentum behind it, such a proposition would quickly gather support.

**Jacob Mantle:** Mr. De Land, do you have anything you'd like to add to that?

**Charles De Land:** I would say that's an option as well. I would also say that you mentioned the idea of an internal trade bureau. If the momentum is not continued, that could be something that focuses more attention, with a mandate to move things forward and make sure they're implemented.

**Jacob Mantle:** Thank you.

Mr. De Land, I think one of the suggestions that your organization has recommended is adopting what you refer to as a corridor approach for major trade infrastructure. Could you explain that idea for us?

**Charles De Land:** Essentially, that would be sort of a pre-approved system by which we could get trade infrastructure in the right places at the right time quickly when needed and not have to go through lengthy and duplicative trade approvals.

**Jacob Mantle:** That would see the federal government sort of pre-approve interprovincial corridors where things like pipelines or transmission lines could be built in a more speedy fashion. Is that correct?

**Charles De Land:** That's correct.

**Jacob Mantle:** Thank you.

Mr. Gilbert, I have just a few questions for you. I had occasion to speak with some construction companies in my riding. They gave me a troubling story of trying to move equipment across the country. In this case, it was construction elevators from Ontario to B.C. Their work site was almost entirely shut down because one of their construction elevators had the wrong.... It had the correct nameplate with respect to the machinery, but it wasn't satisfactory to the British Columbia technical authority.

Do you hear from your members about similar instances, where there are barriers to moving either skilled tradespeople or their equipment from province to province to build things in this country?

**Rodrigue Gilbert:** Yes. I think your example is something that happens daily. It's fairly complex in Canada to move goods and people. Certification rules, building codes and all these things are all different by province. As an example, I live on the Quebec side. Just moving goods to Ontario is sometimes quite complex to do. When you talk about your example, that's something we see every day.

At CCA we have 24 staff. I would say that in a lot of the calls we're receiving from members, they're seeking clarification about contracts, rules, certification and how they can move people and goods within Canada. It's a daily thing for us.

**The Chair:** Thank you very much.

Mr. Fonseca, go ahead, please, for five minutes.

**Peter Fonseca:** Thank you, Madam Chair.

I'll continue with you, Mr. Gilbert. I want to ask you about the Red Seal program. How did it start? How effective is it? Can you expand on that program?

• (1255)

**Rodrigue Gilbert:** In Canada, 54 trades are recognized by the Red Seal program. They get training and are certified in every

province. All the people through the Red Seal program are allowed to work anywhere in Canada.

There are two problems. First, it's only 54 trades. As construction is extremely complex, there are more and more trades, subtrades and what they call microcredentials now. People are specialized in certain things that are not represented by Red Seal. You also have to remember that the Red Seal program is not in Quebec at all. Quebec is not part of the program. That creates some barriers for Quebec workers to go somewhere else and for people from anywhere else in Canada to go to Quebec. That's part of the problem.

The other part of the problem with the Red Seal program is that there's absolutely no recognition of all the civil sectors—heavy machinery equipment operators and truckers—and sometimes even journeymen working on projects. They are not represented by Red Seal, so they have no recognition anywhere in Canada.

**Peter Fonseca:** Why not expand the Red Seal program to all the rest of the trades?

**Rodrigue Gilbert:** We've been advocating that for years. We believe the NOC system in Canada, which is part of ESDC, should be completely reviewed. From when it was created many years ago to today, the construction industry has changed a lot. Now more than ever, it's time to review the entire system and have a full list of what kinds of jobs are on a construction site. I think we could do that.

**Peter Fonseca:** What's the barrier? Is it the industry? What are the barriers that are stopping you from doing this?

**Rodrigue Gilbert:** The industry is ready to go. We've been working on a list. We know which people have been working on which site. I think it's more government leadership that's lacking on that front. The day the federal government comes to us and says, "Okay, let's review the system," we'll be at the table. We'll be ready to go.

**Peter Fonseca:** You're saying that the construction industry, labour, business and government at a provincial level, I guess, would need to—

**Rodrigue Gilbert:** No, there would need to be federal leadership on this and collaboration with provinces. As I just mentioned, certification is different in every province. For the Red Seal program, it would need a discussion from the feds to the provinces to renew that. As I said in French earlier, I think there's a willingness and a momentum on that, even with provinces, to renew and review that system.

**Peter Fonseca:** What would be the economic impact as well in terms of the speed of getting projects built and getting infrastructure built? What would it do in terms of bringing costs down?

**Rodrigue Gilbert:** I think the impact would be major. I don't remember the exact number, but CMHC said that removing barriers on that would help or would increase the start of housing projects by 25%, which is a lot—

**Peter Fonseca:** Twenty-five per cent....

**Rodrigue Gilbert:** Remember, one of our major problems is in moving people around. If we were able to do that, the impact would mostly be on timing. Sometimes we just don't have the right person to work on the right site. That would be a lot.

I don't have an exact number for how much cheaper it would be. As the Government of Canada moves forward with its buy Canadian policy, which we support, the impact of removing these barriers.... It would help lower the cost, a bit, of what the buy Canadian policy will bring.

**Peter Fonseca:** Mr. Daly, we can look at other regulated professions, like health care and legal. In regulated professions, it seems as if....

I don't know whether it's the colleges, regulatory bodies or provinces. Where are the barriers that are stopping movement from happening?

**Paul Daly:** The barriers can be in lots of places.

**Peter Fonseca:** What are the major barriers that are stopping us from moving forward with labour mobility across our country?

**Paul Daly:** The major barrier is the fact that the provinces have been regulated.

**Peter Fonseca:** Under the provinces, does this go to the colleges? These regulated bodies....

**Paul Daly:** The mere existence of different colleges in different provinces is going to lead to friction.

What you need is some sort of coordinated mechanism with—

**Peter Fonseca:** Are these protectionist measures that are being used, just so there is no labour mobility for those particular guilds?

**Paul Daly:** Some of it is protectionist, but even if you're doing it in good faith—if you have a code of conduct in Saskatchewan, it can be different from the code of conduct in Ontario for entirely natural reasons—you're going to have friction. That's the reality.

• (1300)

**Peter Fonseca:** Regarding the medical profession, we want it to service northern and remote communities. We want to be able to have a surgeon from a large urban centre fly to the north to deliver a service to many people, rather than having individuals from the north be displaced and come down to an urban centre. All the costs associated with that, for hundreds of people, are in the millions and millions of dollars. It would be much better if that professional were able to make their way up to those remote communities and service many people in their community.

**Paul Daly:** I would say that governments move slowly. An agency can move quickly, and that's critically important.

**Peter Fonseca:** Thank you.

**The Chair:** Thank you so much for this valuable information. It's been very interesting.

• (1305)

I move adjournment.





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>