

## INFORMATION BULLETIN

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**DATE: August 27, 2014**

**SUBJECT: Premiers to talk trade at annual summer meeting in Charlottetown**

**SOURCE: Susan Lunn, CBC News, 8/26/14**

As premiers and territorial leaders gather in Prince Edward Island for their annual summer meeting this week, talk will turn again to barriers to trade that exist between provinces even as the country negotiates more free-trade deals abroad.

Saskatchewan Premier Brad Wall is leading the push for fewer internal trade barriers.

- **James Moore 'impatient' with provincial trade barriers**
- **Western premiers pitch freer trade, loosening TFW crackdown**

Wall lists trade irritants, such as the fact that companies outside Ontario face a 10 per cent premium if they want to bid on procurement in that province.

"What comes from these small protectionist measures is there's going to be a reaction. And we're going to have less trade and less free procurement. That just never works economically. It's been proven," he told CBC News this week.

Saskatchewan is also engaged in a trade battle with Quebec. Saskatchewan argues Quebec is blocking the import of dairy products blended with canola.

Saskatchewan won at the dispute resolution tribunal, but Quebec is appealing.

And Wall is frustrated.

"It just highlights that the current agreement on internal trade — it's not sufficient. We could do something much bolder. We can have a Canada free-trade zone. I think this makes common sense for Canadians everywhere."

This internal discussion comes just as the federal government released the details of its trade agreement with Europe.

It includes opening up local construction projects to European companies and allows the provinces to trade with Europe more easily.

Prince Edward Island Premier Robert Ghiz, who is chairing the meeting, says there's a lesson there for the provinces.

"Let's look at the trade agreements that we have with other countries. And if those trade agreements make it easier to trade with a different country, compared to another province, then we've got a problem," Ghiz said.

Ontario Premier Kathleen Wynne says she's open to the idea of a balance between lowering trade barriers while still protecting the interests of local industries.

She points to the difficult negotiations over Canada's dairy industry during the free-trade talks with Europe.

"It will be the same discussion between B.C. and Ontario, for example, on wine. How do we advance the overall cause so that the B.C. wine industry can thrive and Ontario's industry can thrive," said Wynne.

"I'm open to removing those barriers. But I also want to make sure that whatever we do is going to be in the interests of Ontario's wine industry."

Ambassadors join gathering

Meanwhile, the premiers will be joined, informally, by the U.S. and Chinese ambassadors to Canada, as well as Canada's ambassadors to those two countries.

Wall thinks that's a great idea.

"I really do think it will shine a light on the importance of trade with our largest partner in the United States, and our fast-growing trade partner in China."

Wynne, too, is pleased, especially now that the provinces are holding another trade mission to China in October.

But, she adds, there is one person missing from the table: Prime Minister Stephen Harper.

"The fact that the federal government has refused, that Stephen Harper has refused to come and meet with the premiers, I think is a very big problem.

"It's a big problem in terms of international trade. It's a big problem in terms of internal trade. It's a problem in terms of national interest, like a Canadian energy strategy, or like infrastructure investment. It would be better if the federal government were at the table with us," Wynne said.

The federal industry minister did release a discussion paper last week that lists two options on internal trade.

One is to scrap the 20-year-old national trade agreement and negotiate a new one. The second is to amend the current deal.

Either way, James Moore wants the provinces to do more. "My preference is for us to all be more ambitious than we've been thus far," Moore told CBC Radio's *The House*.

But some provinces don't like Moore's suggestion they should do more, arguing Ottawa hasn't done much to improve internal trade, either.

"They need to lead by example. The provinces will have a lively discussion about it, and will come up with practical solutions," Manitoba Premier Greg Selinger told CBC News.

Besides trade, the premiers have a number of other issues on their agenda for the three-day Council of the Federation meeting, including a Canadian energy strategy, infrastructure investment and fiscal transfers from Ottawa.

They will begin with a meeting with aboriginal leaders on Wednesday, during which they are expected to renew their call for a national inquiry into missing and murdered aboriginal women.