

## **INTRODUCTION:**

Good morning. First let me express my appreciation to Gary Mar and thank you to the Calgary Chamber of Commerce for having me as a speaker here today. Minister Mar and I have been busy these last few months since we decided to make this trade, investment and labour mobility agreement work.

As Gary has told you, we signed the agreement in April; Minister Mar visited us on the Lower Mainland in June. Earlier this month we were in Halifax – for the meeting of the Committee on Internal Trade: that’s the ministerial meeting of the Agreement on Internal Trade - which provinces, territories and the federal government signed onto over a decade ago.

Gary and I have been talking about how we can strengthen ties with other Canadians -- with those who share an interest in creating the conditions for prosperity.

Today I want to first talk about the approach we in Canada have taken traditionally to trade agreements; and then the bold approach we in B.C. and Alberta have taken that will pave the way to a more prosperous future.

## **INTERNATIONAL TRADE:**

Some countries have trouble dealing with their neighbours. We in Canada sometimes seem better at dealing with our neighbours than we are at dealing with other members of our own family right here at home.

The Conference Board of Canada released a study this past May called “Death by 1,000 Paper Cuts.” It provides an in-depth inventory of just a portion of the non-tariff trade barriers that exist within Canada. These barriers restrict investment, trade and the movement of workers between our own provinces.

How ironic that we have all these internal trade barriers when Canada has done so well with negotiating external trade agreements:

We have entered into many economic agreements – not just next door in the United States. We’ve already negotiated free trade agreements with Mexico, Chile, Costa Rica, Israel, South Korea and others.

That’s a lot of work toward freer trade and fewer barriers between countries. As a trading nation, it’s in our interests to foster trade and investment by lowering barriers and being a proactive player in the world economy; and yet some of the greatest untapped opportunities, and some of the most persistent and debilitating economic barriers, have been between our own provinces right here at home.

The Conference Board of Canada study noted that non-tariff barriers represent – and I quote – a “formidable barrier to competition” and further:

“A majority of the 198 firms surveyed ... indicated that NTBs [non-tariff barriers] create compliance costs and raise costs associated with reduced innovative capacity and an inefficient size of operations.”

That's the bad news; and now for the good news.

### **B.C.'s RENAISSANCE:**

The B.C. of today is a whole lot different from the B.C. of six years ago. Thanks to the leadership of Premier Gordon Campbell we have put B.C. back on track. If any of you think that companies operating in B.C. are over-taxed, over-regulated and facing an impossibly union-management environment, then you are living in the last century.

In British Columbia we are facing similar economic circumstances that you are facing here in Alberta. Business in B.C. is booming, we're experiencing unprecedented economic growth, and since coming to office in 2001 - in just 5 years - our government has reduced regulations by more than 40 per cent.

This year for the first time ever, when over 90 per cent of all public sector union contracts were set to expire, all of them - 100 per cent - were renegotiated before they expired, ensuring labour stability through 2010.

We've helped create an economy in B.C. that is over the past five years leading the nation in job creation. We're breaking all of our employment records – and we've paved the way for an economy poised to enjoy unprecedented future growth and prosperity.

### **TILMA**

The B.C. and Alberta governments are leading the way with Canada's most comprehensive internal trade agreement between our two jurisdictions – provinces that already lead the country in real GDP growth. As you've heard from Gary Mar, it's a bold step that will further build a western Canadian economic powerhouse.

This agreement creates Canada's most open and competitive economy in which goods, services, investments and workers can move freely. There is no comprehensive list of what is included under TILMA simply because the agreement applies to all measures by all government and regulatory bodies.

Let me give you an example of how this will affect business people in both provinces. Under TILMA, a business established in either B.C. or Alberta will be able to operate in both jurisdictions without having to register as an outside company. This means no duplicate business registration; no duplicate annual reports, no double notifications of changes such as new Boards of Directors. All these duplicate procedures, and associated costs, will be eliminated.

Another example: I heard of cases where goods being delivered by truck between the two provinces had to be unloaded and reloaded when the truck crossed the border between B.C. and Alberta, all because of our differing regulations.

Apparently, business people circumvented these regulations by going between provinces via the United States. This is exactly the kind of costly rigmarole that TILMA is designed to eliminate.

The best evidence of the quality and purpose of TILMA is this provision for settling disputes. Coincidentally this was also a recommendation of the Conference Board of Canada in the “Death by 1,000 Paper Cuts” study I mentioned at the outset.

Our two provinces have taken a leadership role in removing harmful barriers to trade, investment and labour mobility. There has been a lot of support from the business community, and we simply could not have gotten to this point without exceptional political commitment and a strong collaborative effort.

Of course, signing an agreement like this one isn't the end of a process. It's just the beginning. TILMA is slated to go into effect on April 1, 2007, but in reality we are already in a transition period – we're already acting as if the agreement is in force.

### **MOVING FORWARD ON IMPLEMENTATION:**

It's only been a few months since we signed the agreement, and we are now working hard on implementing it, on making some real early progress.

Both governments are mandated to make all changes by April 2009, and we're busy negotiating for full implementation of TILMA in areas such as financial services.

oWe've already made headway on many other aspects.

- For example, our two provinces have signed a Memorandum of Understanding that gives charter bus lines equal access to each other's markets.
- o Officials from both provinces are working with securities regulators and other regulatory groups to eliminate remaining barriers and reconcile our differences.
- o We're working to open up the oil and gas sector to shared access on both sides of the border.
- o We're working to make sure business registration and reporting requirements are streamlined so businesses registered in one province will automatically be recognized in the other.
- o We're also working to provide even more open and non-discriminatory access to government procurement.

Our most enthusiastic early support so far has come from the professions. Most are covered today but by April 2009 every single occupation will be covered by TILMA. Under the agreement, no extra steps will be needed to work in one province if you are already recognized in the other.

Recognition of credentials in either of our provinces is a big positive as we face a growing skills shortage and frustrations over delays in recognizing people trained outside Canada who bring valuable skills and experience to our province.

We started out with a list of occupations that needed to resolve restrictive policies - like residency requirements, for example. Several of those will be removed from the TILMA transitions list before the implementation date for the Agreement. Examples include Engineers, Architects, Hearing Aid Practitioners, Dental Technologists, and Chiropractors.

Over the next two transition years, we will work with other occupations and complete negotiations to resolve remaining differences. We're already making real progress, but we do not underestimate the work that will be involved to bring complete labour mobility by 2009 – our deadline for full implementation of the deal.

I'm most encouraged by the positive – “let's roll up our sleeves and get this done” – attitude of those responsible for credentials recognition. When we first announced the agreement in April – they started calling us to ask how they could get started.

### **EARLY RESPONSE:**

This is typical of the reaction across the board to this new agreement. Word is spreading, and as it spreads, people are seeing the good sense behind removing internal trade barriers. As people learn about this agreement, and its potential to strengthen the economies of both provinces, they are reacting enthusiastically.

I can't tell you how gratifying it was to read the Canadian Business Magazine editorial last May which said:

“For once, we find ourselves fully in agreement with political rhetoric. When the agreement comes into force, businesses and workers in B.C. and Alberta will be living in an interprovincial free trade zone.”

It's no wonder we're getting a good response from the business community: The Conference Board of Canada estimates that once it's implemented this agreement could add \$4.8 billion dollars to real GDP and create 78,000 new jobs in British Columbia alone.

Not long after the TILMA announcement, Premiers Gordon Campbell and Ralph Klein received a letter from the Canadian Council of Chief Executives.

In it, the Council extends their warmest congratulations for “making an economic agreement that goes further than any other government in Canada to tearing down the barriers that for too long have stifled economic growth and competitiveness in our country.”

We're creating a powerful new economic partnership that's going to liberate opportunities in trade, investment, employment and job creation in both of our provinces – and give us a springboard to take advantage of new opportunities in the Asia-Pacific Region. This agreement between B.C. and Alberta is a huge step forward toward removing barriers to trade, investment and labour mobility between our provinces.

The Canadian Council of Chief Executives has also pointed to the agreement as setting the standard for inter-provincial economic relationships. It's a major step toward harnessing the potential of our Western Canadian economic powerhouse; and it could mean even more than that, as TILMA is purposely designed to allow other provinces and territories and even the federal government to also sign on.

So the benefits could be even broader.

## **COMMITTEE ON INTERNAL TRADE**

At the Committee on Internal Trade a couple of weeks ago in Halifax, TILMA was certainly the talk of the meeting. Already Saskatchewan is looking to meet and consider signing on to this agreement, and there are at least three other jurisdictions that are actively kicking the tires as to whether or not they should sign on as well.

So we're hoping that we can achieve a much more open economy in Canada through this route in a way that we have not been able to achieve through the marginal, incremental approach to broaden the scope of the Agreement on Internal Trade.

It remains to be seen whether recent talk about improving the AIT leads to meaningful change, but if there is a real appetite for that in the rest of Canada, then TILMA could form the basis for more real improvements.

We are pleased to offer our agreement as a catalyst – and a model – for resolving outstanding inter-provincial barriers in a comprehensive way and with the prospect of real enforcement to make sure the improvements make a difference.

This agreement is evidence of what's possible when Canadians work together for our mutual benefit. For years business has been telling us to knock down interprovincial trade barriers. We've done it – in a big way.

We are confident that when the business community becomes aware that B.C. and Alberta now share an open and competitive free market economy, they will vote with their feet and their cheque books. They will come and invest, create jobs, diversify our economy and enhance prosperity.

TILMA is a great opportunity, but it also presents us with some real challenges: including the challenge of building on this agreement to make sure its tremendous potential is realized.

This isn't a challenge just for government; it's also a challenge for the business community, for entrepreneurs, and for those excited by the possibilities of using their skills in this new larger and more vibrant free market economy. We have accomplished a great deal, but much more still remains to be done.

## **CONCLUSION:**

The British Columbia-Alberta Trade, Investment, and Labour Mobility Agreement is a positive development for our provinces and for our country. It blazes a trail of exciting new opportunities. It challenges all of us to see the possibilities and turn them into success.

Removing trade barriers between our provinces will translate into increased growth and prosperity. It's good public policy, and it's being good neighbours.

I'm proud that B.C. and Alberta are taking this leadership role. I hope that you too will see the unparalleled opportunity of TILMA and will spread the word about B.C. and Alberta - the most open and competitive economic region in Canada. Thank you.