

# Now Is the Time to Remove Interprovincial Trade Barriers and Strengthen Canada's Economy

By Conrad Black

The controversy over tariffs between Canada and the United States—and the partially related issue of illegal migrants, drugs, guns, and other objects crossing the Canada-U.S. border—is having the beneficial effect of causing Canadians to think about making this country more independent of American influence and also a more efficient economy for competition in the world.



Canada's premiers hold a press conference following a meeting in Ottawa on Feb. 7, 2023. The Canadian Press/Sean Kilpatrick

As I touched upon here last week, the most irritating aspect

of the current controversy is the flippant manner in which Canada was likened to Mexico, and the official conduct of the two countries was implicitly deemed by the U.S. government to be equally objectionable. President Trump made it clear that his principal grievance in the case of both countries was illegal immigration and drug imports, which as a practical matter has nothing to do with tariffs. Nor is what crosses the border of a sovereign country a legitimate subject of complaints by that country, since every country has both the right and the duty to make its borders as easy or as difficult to cross for people and goods as it wishes.

Trump's real complaint is with his predecessor, who threw open the southern border and admitted over 12 million illegal migrants, including scores of thousands of violent criminals, among whom were embedded many child traffickers and importers of 20,000 tons of dangerous drugs. At the same time, Mexico was luring American factories into Mexico with promises of tax holidays, subsidies for construction of plants, cheap labour, and the ability to sell finished goods via NAFTA back into the country that they had deserted.

None of this applies to Canada, which is a fair-trading country. The number of people that the United States says entered improperly from Canada is a very small fraction of those crossing the southern border; and more than 500 times the quantity of illegal drugs that entered the United States from Canada over the last several years entered the United States from Mexico.

Trump's claim of a [\\$200 billion payment deficit](#) with Canada is bunk, and we have a border grievance also, with the flooding in of American guns as well as increasing numbers of illegal migrants in the United States who fear deportation crowding into Canada. Given the immense disparity in the gravity of the American problem with illegal immigration and drug trafficking with Mexico over Canada, and the fact that Canada is a civilized democracy with a relatively low level of violence

and, in many respects, a higher quality of life than the United States—while Mexico is a poverty-scarred and relatively corrupt society where Marxists and gangsters are in contention for political influence—the treatment of the two countries as if their conduct was identical is outrageous in itself. This, along with Trump’s flippancies about Canada becoming the 51st American state, has been seriously annoying to Canadians. There is reason to hope that the controversy will de-escalate and be resolved in the usual form of bilateral discussion. Irritating though they are, these new issues in Canada’s relations with the United States have generated patriotic considerations that have not arisen much in the recent era of the political class naively declaring a post-national world.

In examining what we might do to make our country stronger and less susceptible to capricious and annoying U.S. behaviour, one of the most obvious matters to address is the extensive number of obstacles to interprovincial trade within Canada. To some extent this is a matter of different standards of health and safety regulations, the required ingredients in products, and over-generous agricultural price supports. The problem is so complicated that it is impossible to incite any public interest in the elements of it, but in times like these, when the fundamental economic strength of the country is under threat and there is legitimate interest in what constructive steps we can logically take, there naturally arises a consensus that internal differences should be resolved to make the whole country a stronger entity, especially if we are now entering a climate of a much less supportive attitude from our large neighbour.

It would be too much to expect the outgoing prime minister to take serious executive initiatives at this stage, but when there is a prime minister with a mandate to act, it should be possible to mobilize opinion throughout the country (though Quebec is always sluggish), to standardize these details that obstruct trade between provinces and to expedite the procedure for qualifying professionals from different provinces and from

other countries. In January, the federal Committee on Internal Trade reported that eliminating interprovincial barriers could add as much as [\\$200 billion annually](#) to the Canadian economy by lowering prices and improving productivity.

It is a notorious fact that there are many doctors either in Canada or seeking to come to Canada who are being delayed in being qualified to practice for spurious or protectionist reasons, even though every informed person in this country knows that our health-care system is a shambles and that its two greatest problems are an insufficient number of doctors and chronic excessive administrative personnel.

In the case of the maze of agricultural price supports, the logical answer is for those provinces who wish to top up the income of their farmers to do so in direct payments and not inflict absurdly elevated prices on the consumers of the country. This is one point that President Trump has commented on directly as an egregious affront to any notion of free trade, and he is correct.

Eventually we will negotiate some sort of new arrangements with the Americans, but in the meantime there is an opportunity to strengthen our own economy and make it more independent of the United States. In that context, the next prime minister will have no difficulty getting national attention and support for a broad range of new policies. These include maximizing our exports of oil and gas and all natural resources by emancipating the country from the excesses of the green self-imprisonment; a purposeful assault on government spending, starting with our unsustainable [4.1 million public employees](#); authorizing serious tax cuts; and the comprehensive incentivization of domestic and foreign investment.

With these should come all the power that the federal government can exert, including in the administration of transfer payments and the moral authority the prime minister will possess, to raise the flag and demand a higher level of rational efficiency from governments at every level to end these parochial internal barriers. If this were highlighted in the context of what would be a comprehensive and essential

program of national self-strengthening, all of the provinces would ultimately be resistless against the logic of reducing these barriers.

In the present difficulties there is an opportunity to make Canada stronger by governing better. We must not squander that opportunity.

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