(Check Against Delivery)

The Hon. Gary Mar, Minister

Alberta International and Intergovernmental Relations

Speech to the Richmond Chamber Of Commerce

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Thank you, Minister Hansen. Actually, it could just as easily be your minister speaking, and me doing the introduction, because whether it is Colin or me, speaking here in Richmond, or Victoria, or Prince George, or back in Alberta, the message is exactly the same. We have a new way to spell opportunity—T-I-L-M-A- TILMA.

It stands for Trade, Investment and Labour Mobility Agreement, and it is the new free trade agreement between British Columbia and Alberta. And in signing it, your government just handed you the single biggest business opportunity of the next three years—open access to Alberta.

Borders between provinces may look like just lines on a map, or a friendly roadside sign to tourists, but to business and workers, borders between provinces are endless lengths of red tape. And every piece of red tape is tied to a cost for fees, registration and compliance requirements. You pay that cost in cash, in time and in missed opportunities.

By signing this comprehensive agreement, and with three more years of hard work, British Columbia and Alberta are removing most of those costs, and turning them into potential savings, investments and fuel for growth. Just think of it. Interprovincial non-tariff barriers cost an estimated 1 per cent of the GDP. The Conference Board of Canada recently quoted an impact of $7 billion nationally. But that estimate is from another report using data from 1995.

In 2005, the combined GDP of British Columbia and Alberta was almost $400 billion. One per cent is almost $4 billon last year alone, over $500 for every man, woman and child. That is scandalous. Worse, it is entirely unnecessary. You know this. Think of what our economies could do with that kind of money freed up for investment, skill development, and other competitive advantages.

You and your colleagues across Canada have long advocated for a freer Canadian trade environment. And so far, Canadian governments responded with the national *Agreement on Internal Trade*. That agreement gave us modest improvements to interprovincial trade. Some provinces still look at barriers as a misguided form of economic protectionism.

And some provinces continue to defy even modest access to their markets. Quebec and its prohibition of coloured margarine come to mind. Dispute resolution, you say? Alberta and British Columbia both have first-hand experience on the internal trade dispute settlement mechanism. The process has not been effective in getting governments to change their behaviour. It also is long and complicated, often inaccessible to people and businesses, and, in the end, it is not enforceable.

Someone once said if Edison were to invent the electric light bulb today, stakeholders and headlines would be screaming, "candle industry at risk." To my mind and Colin's, interprovincial barriers are about one thing, protecting turf.

We see protectionism as the enemy of trade, at any level. British Columbia and Alberta realize our best economic protection is full-out cooperation. And now is the time, when the economic balance of power in Canada is shifting West, when the global trend is to broader and more open and more inclusive economic unions, and when our standards and regulations already are so similar.

Over the years, our provinces responded separately to the same private sector concerns over occupational qualifications, business registration, investment regulations and more. As a result, we developed similar legislation and regulations to establish and meet the highest professional, business and industry standards. Where our requirements are not similar, the steps needed to reconcile them, while time consuming, are not major changes. We expect to accomplish them by April 2009.

By working together to reconcile and harmonize our business, labour, transportation and other requirements, our governments cut through all that red tape at the border. We create a single marketplace with enhanced labour mobility, streamlined business and transportation registration requirements, and an open market for investment, energy, financial services and government procurement. We have a market of 7.5 million people, only about 100,000 fewer than second-place Quebec. With a combined GDP of almost $400 billion, we have the second largest economic region in Canada. Only Ontario is bigger.

And our share of the national GDP is growing. In the four years between 2001 and 2005, Ontario and Quebec's combined share of the national GDP was down almost 2.5 per cent. The combined share for B.C. and Alberta was up by almost the same amount—2.4 per cent. We are fully convinced our agreement will build on that momentum, and will invite more investment, more business, more workers and more opportunity.

Of course, the same kind of people who would lament the loss of the candle industry to electric lights are predicting that labour mobility will exacerbate an already tight labour market. Now, there is no doubt the candle industry took a hit from electric lights. And in fact we do not dismiss concerns of labour supply.

Alberta already trains almost 20 per cent of all of Canada's apprentices. With recognized certification, both provinces benefit from full, equal and easier access to those workers. Our ministries responsible for human resources and advanced education are working on strategies to increase our own home-grown supply of skilled workers, and to attract and recognize workers trained elsewhere.

But we also see the agreement as being part of its own solution. The Alberta experience shows that a dynamic and growing economy is highly attractive to workers. We fully expect the size, dynamics and potential of our combined market, an open investment climate, healthy competition, lower business costs, and access to more job opportunities will attract more workers to both our provinces.

So committed are we to our Trade, Investment and Labour Mobility Agreement, we backed it with a dispute resolution process that learned from our experiences and yours with the agreement on internal trade.

First, a simple and timely consultation mechanism will try to resolve disagreements. The resolution process itself is fully accessible to both governments and individuals, which means you can take direct action.

And only if consultations do not work do we go to an arbitral panel for resolution. Finally, the whole thing is backed by some very big teeth, in which either government can be subject to fines of up to $5 million should we not bring ourselves into compliance. The TILMA dispute resolution is accessible, cooperative, consultative and enforceable, everything Canadian business asked for. And it supports the most open free trade agreement in Canada, also what business asked for.

Our agreement comes into force on April 1, 2007. On that date energy and investment markets will be fully open and accessible, and there will be fewer business subsidies to harm the marketplace or hinder investment. Commercial truckers will no longer have to meet duplicate registration requirements. You will be able to bid on more government procurement, and many professional services will be open for tender.

On full implementation in April of 2009, businesses registered in B.C. will be considered registered in Alberta, and professionals and skilled trades people certified in Alberta will be considered certified in B.C. And, we agreed to extend coverage to the broader public sector, including municipalities, school boards, and health and financial services.

Our provinces each retain sole responsibility to protect our water, environment, consumers, and workplace health and safety. We each retain sole responsibility for social, health and aboriginal policy. But outside of these legitimate government objectives, all other areas of policy and legislation, regulation and guidelines, and administrative procedures that affect trade, investment and labour mobility will be subject to our free trade provisions. And that kind of potential is the best economic protectionism we can have.

Get familiar with our TILMA. Explore what it will mean to yourselves, your workforce and the sectors you represent. And see if you change how you spell opportunity. Minister Hansen and I are pleased to entertain your questions.

Thank you.