

Ade Olumide

Kanata-Carleton Nomination
Campaign Launch
Conservative Party of Canada



Who Agrees With Ade's Hydro Interprovincial Free Trade Agreement Policy?

May 31, 2015

Western provinces signed Trade, Investment, and Labour Mobility Agreement (TILMA) without an exception for energy. Upon receiving your vote to become the **Kanata Carleton Conservative Member of Parliament, Ade will submit petition** for the Federal Government to work with provinces and municipalities to achieve an electrical energy free trade protocol for the Federal AIT (Agreement On Internal Trade). **Only an MP can submit this petition.** The AIT defines energy services as “(c) energy transportation facilities, including **electricity transmission lines and pipelines**; and (d) energy exploration, development, production and processing facilities, equipment and activities”.

In a December 5, 2013 open letter to the Committee on Internal Trade, The **Canadian Chamber of Commerce, Canadian Council of Chief Executives, Canadian Federation of Independent Business, Canadian Manufacturers and Exporters, Canadian Restaurant and Foodservices Association, Certified General Accountants Association of Canada and the Vegetable Oil Industry of Canada** wrote “One of the most commendable aspects of CETA (EU trade deal) was that it was reached with the inclusion and support of the provinces and territories, a sign that all jurisdictions recognize the importance of increased trade and the value of working together to create a strong economic union. It is an embarrassment that we are able to provide greater benefits to our trading partners than to each jurisdiction within Canada. We can no longer excuse the fact that our domestic market remains divided by unnecessary barriers and urge you to work with the provinces and territories to rectify this fact.”

In 2013, the **Canadian Electricity Association** made an interprovincial regional hydro submission to the Council of the Federation.

In 2010 Jan Carr the **former CEO of Ontario Power** wrote a paper for the **CD Howe** Institute stating; Canada could benefit from increased interprovincial trade in electricity, which would result in increased integration among the existing provincial electricity systems. The stumbling block is the inability to realize and equitably allocate economic benefits among transacting provinces.

In 2014 **Saskatchewan Premier** Brad Wall, **Alberta Premier** Dave Hancock, **B.C. Premier** Christy Clark sent a letter to other premiers on the importance of removing interprovincial trade barriers.

In 2014 Jacques Daoust, **Minister of the Economy, Innovation and Exports, Quebec**, “I will work closely with my provincial colleagues to determine how to make this agreement even more effective and facilitate trade between us. Quebec will play an active role on the Council of the Federation. Eliminating barriers to internal trade paves the way for our businesses to grow. We stand to win by having an economic environment that is open, reliable and efficient. We must continue to make much-needed amendments, taking into account advances on the international trade agreement front.”

The Ontario **Auditor General** December 2014 reports references a **\$50 billion** cost for paying above market rates for electricity. Within one year, job loss announcements in the largest Province in Canada include **Ford, Kellogs, CCL Industries, Imperial Oil Enterprises, H.J. Heinz Company Canada, Stelco (US**

Steel), Gerdau Ameristeel, ACCO Brands, Myers Industries Lawn, GSW Plant (AO Smith), John Forsyth Shirt Company, Behar-Cline Manufacturing, ExxonMobil Chemical Film Plant, Caterpillar, Xstrata, Stanley Tools, Kraft Canada, General Mills Canada and Hershey.

“Prime Minister Stephen Harper just signed a free trade agreement with the European Union. The Conservative Government Industry Minister pegged the cost of the lack of a Canadian free trade agreement at **\$50 billion yearly**. At this time in the history of our great nation, courageous leadership means we have to put aside partisan differences, roll up our sleeves and get to work amending the AIT.” **Ade Olumide**, Kanata Carleton Conservative Nomination.

Section 121 of the **Constitution Act** “All Articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces.”

Macdonald-Laurier Institute’s Managing Director, Brian Lee Crowley, wrote liberating the flow of domestic trade is a laudable goal but says any attempt to do so requires the federal government’s leadership.

As Canada’s premiers met in Charlottetown last week, the **CFIB** urged them to use the Canada-EU free trade agreement as a model for modernizing trade within Canada.

“Every rule that makes it harder to move to, or sell to, another province drives home that our “fellow” Canadians regard us as foreigners” **MacDonald-Laurier-Institute**

“The proposal now before us [Confederation] is to throw down all barriers between the provinces – to make a citizen of one, citizen of the whole.” **George Brown, 1865**

In 2010, Brian Lee Crowley, Robert Knox and **John Robson** wrote Citizen of One, Citizen of the Whole for the MacDonal-Laurier-Institute (think-tank) publication True North. They cited three reasons why it is difficult to measure the cost of IPTBs: one, they are so numerous and varied that no one has managed to list them all; two, they have such complicated effects that it is impossible to measure costs with certainty; and three, the harm they do accumulates over time in ways that are even more difficult to measure.

The Royal Commission on the Economic Union and Development Prospects for Canada (**MacDonald Commission**) produced a comprehensive accounting of the variety of interprovincial barriers that existed in the 1970s and early 1980s.

Jordi Morgan, Vice-President Atlantic of **CFIB** says, “it makes sense that an investor from Nova Scotia should benefit from investing in a small business in PEI as much as they would from investing in their home province. Why should a small business owner in Sackville, NB be restricted from accessing capital investment from a relative who lives 10 minutes down the road in Amherst?”

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Canadians are in the enviable position of living in a country richly endowed with energy resources, especially regarding electricity. Nature has fortuitously located hydroelectric, gas, oil, coal and nuclear resources in an alternating pattern across the country, which creates natural synergies for east-west trade. Yet it seems like man has purposely conspired to undermine these natural facilitators of interprovincial electricity trade by putting in place another alternating pattern of monopoly and competitive commercial structures and public and private ownership that erects trade barriers at virtually every provincial border.

Canada needs “Made-in-Canada” electricity policies that discourage monopolization of transmission access and allow provinces to equitably and fairly trade with each other regardless of market structures. To realize the national scope of Canada’s electricity resources, provincial commercial and transmission policies for electricity must be reformed to accommodate the Canadian reality, which is a patchwork of competitive markets and monopoly utilities.

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