



Perspectives on the Canadian Economic Union

MARK KRASNICK
Research Coordinator

*Published by the University of Toronto Press in cooperation
with the Royal Commission on the Economic Union and
Development Prospects for Canada and the Canadian
Government Publishing Centre, Supply and Services Canada*

University of Toronto Press
Toronto Buffalo London

CONTENTS



FOREWORD ix
INTRODUCTION xi
PREFACE xv

1. **Interprovincial Trade and the Welfare Effects of Marketing Boards** 1
Wayne R. Thirsk
Introduction 1
Characteristics of Marketing Boards 2
Welfare Costs of Marketing Boards 7
Empirical Studies of the Cost of National and Provincial Self-Sufficiency 12
Welfare Costs of Greater Provincial Self-Sufficiency 16
Conclusions 25
Appendix: Selected Tables 28
Notes 32
Bibliography 33

2. **The Concept of Economic Union in International and Constitutional Law** 35
Ivan Bernier, Nicolas Roy, Charles Pentland and Daniel Soberman
Economic Union in International and Constitutional Law 35
Economic Foundation of the Concept 35
Political Significance of the Concept 40
Legal Formulation of the Concept 43

- Economic Unions Based on Constitutional Law 44
 - Canada 44
 - Australia 64
 - The United States 81
- Economic Unions Based on Treaties 101
 - Introduction 101
 - Economic Integration and the European Community 102
 - Economic Unions among Developing Countries 116
- Conclusion 127
- Notes 131

- 3. **The Free Flow of Goods in the Canadian Economic Union** 155
 - Nola Silzer and Mark Krasnick*
 - Introduction 155
 - The Canadian Economic Union 155
 - The Roots of Grievance: Federal Distortions 158
 - Energy Policies 159
 - The Tariff 161
 - Federal Tax System 161
 - Freight Rates 162
 - Summary 163
 - Governments in Agreement: Federal-Provincial Barriers 164
 - Trucking Regulations 164
 - Marketing Boards 165
 - Summary 169
 - The Imperfect Economic Union: Provincial Barriers 169
 - Section 121 and the Customs Union 169
 - Provincial Non-Tariff Barriers 172
 - Provincial Barriers and Scope of Federal Trade and Commerce Power 181
 - Federal Involvement in Provincial Trade Barriers 182
 - Justifications for Barriers 182
 - Federal Distortions 182
 - Federal-Provincial Barriers 183
 - Provincial Barriers 184
 - Conclusions 185
 - Notes 187

- 4. **Mobility Rights: Personal Mobility and the Canadian Economic Union** 195
 - Sanda Rodgers-Magnet and Joseph Eliot Magnet*
 - Introduction 195
 - Importance of Mobility Rights in the Canadian Economic Union 195
 - Economic Importance: The Economic Theory of the Benefits of Mobility of Factors of Production 195

Political Importance: Mobility Rights as Political Rights — Importance of Mobility Rights in Fostering a Sense of Nationhood and Canadianism	198
Conflicting Values: Nation Building and Province Building: Mobility Rights and the Goals of the Canadian Federation	199
Justification of Impediments to Mobility	202
Mobility and Impediments to Mobility	203
Level of Mobility in the Population — Demographic Studies	204
Uniformity v. Portability; Mobility and Language	205
Impediments and Disincentives to Mobility: Federal and Provincial	206
Lessons from Other Jurisdictions	226
The European Economic Community	226
Mobility Rights under the U.S. Constitution	234
Legal Protection of Mobility Rights in Canada	243
Under the <i>Constitution Act, 1867</i>	243
Under Section 6 of the <i>Canadian Charter of Rights and Freedoms</i>	247
Case Law under Section 6	250
Conclusion	259
Notes	263

ABOUT THE CONTRIBUTORS 271