

**THE AGREEMENT ON INTERNAL
TRADE: AN INSTITUTIONAL
RESPONSE TO CHANGING**

One purpose of this paper is to examine these arguments and come to some conclusion about whether or not the AIT is significant, and if so,

Canada is a federal society with a federal system of government. But what shapes it? Does Society decisively determine Government-or is it the other way round? In a formal sense, is Society the

and an enormous need for new institutional designs.³

As a result we need to revisit our basic conceptions of federalism if we are to understand how and why institutional change is proceeding

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1981, which culminated in the patriation of the Canadian constitution in 1982. From 1960 to 1976, as a result of the Quiet Revolution, constitutional negotiations primarily focused on

Such was not the case after the Trudeau Liberals returned to power early in 1980. Armed with a fresh mandate and a majority government, they were determined to put an end to the threat

at removing inter-provincial trade barriers. They stressed the need for a revised Section 121 to more effectively guarantee free trade between the provinces, and recommended that it be extended

market through the use their legislative and fiscal powers.¹²

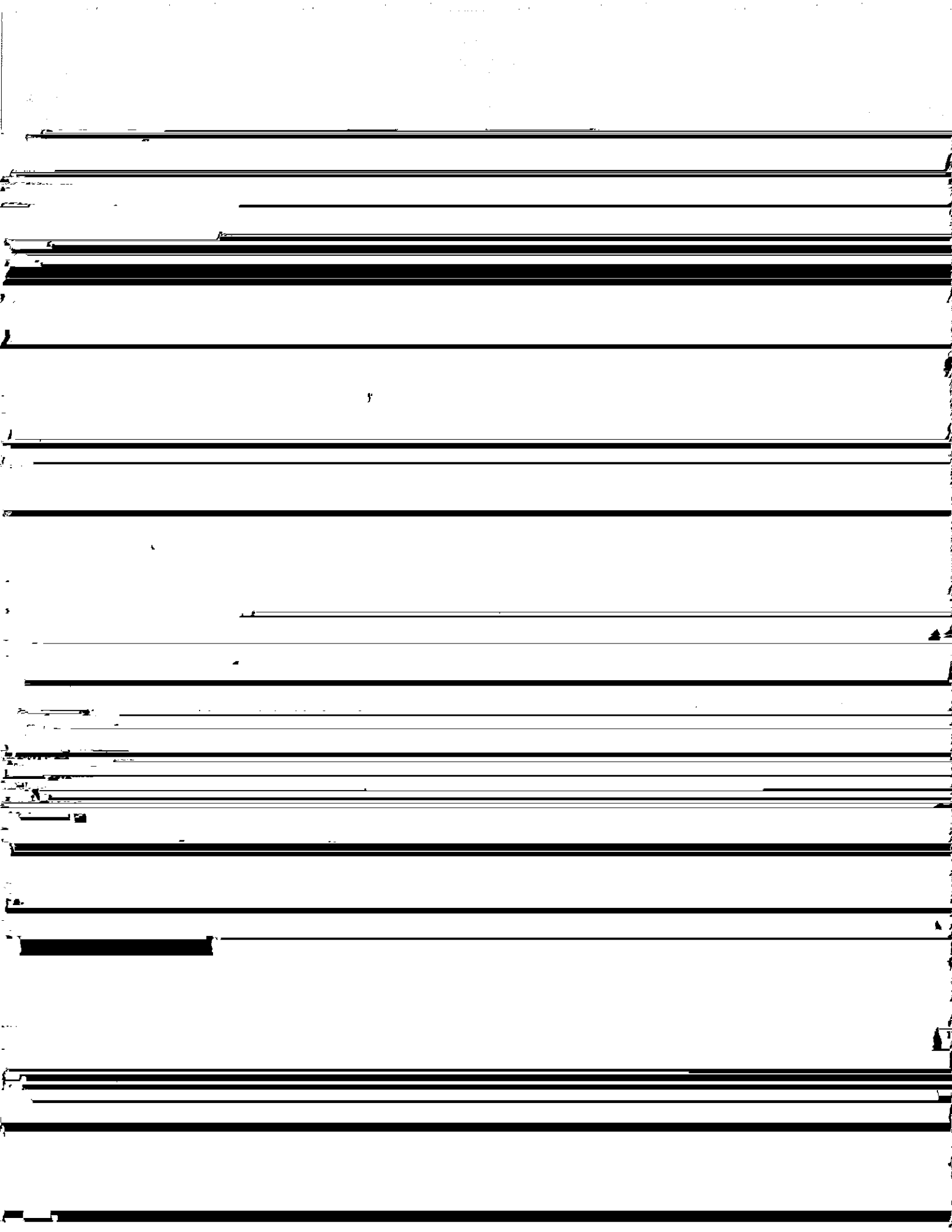
Therefore, all interventions by governments in federal states should at least to be examined for

intellectual and tactical goals formed the basis of their approach.

However strong the federal view on the

and to the insertion of the courts as "the umpire" these matters.

Furthermore, even if Ottawa had correctly



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objective as Minister of Constitutional Affairs in _____ However these traditional arguments were

conception of property and property rights that are
inherent in some version of liberal democracy.

Such arguments have a powerful attraction in
the post-Charter era, especially for those who

each government, thus emphasizing that it is an intergovernmental agreement and non-justiciable.

Part Four outlines the general and specific rules. In relation to the latter these include the following.

- Procurement
- Investment
- Labour Mobility
- Consumer Matters

The private sector, which was pressing for an agreement on internal trade, wants an accessible, transparent, inexpensive, non-adversarial process that is enforceable Most provincial governments want a system that is inexpensive and allows them some control over the issues to be considered and that does not allow third parties, namely the courts, to define policy. . . . Unfortunately, . . . it is not clear that the

For the first time publicly one of the this may have simply been a tactic on the part of

this provision. BC minister Noel Schacter warned that the provision could undermine Canada's publicly funded health and social services system. He also insisted that without exemption for these sectors they would become increasingly

Such an action did not occur however, as governments agreed to a revised MASH proposal at their meeting on February 20, 1998. Two governments, British Columbia and Yukon, did not sign the agreement. In deciding to go forward

provincial trade to eliminate the use of immediate future, there is also little evidence to

in 1980. It involves the assumption that the more we do things nationally the stronger the Canadian identity will become. It assumes that regionalism is destructive to this identity, that it is the "enemy

to do otherwise. Over time, as well, the agreement may also filter into Canadian constitutional law, as courts use the principles to develop jurisprudence... The