

as a less complex tax system. However, since many of these policies were established for regional development purposes, the Task Force acknowledges that there will be regional costs associated with their removal. These costs will involve immediate employment and investment shifts within and between regions. This gives rise to the need for alternative regional development measures aimed at ensuring viable industrial bases in regions affected by barrier removal. In the past, the Canadian economy has adapted to adjustments arising from such events as severe recessions and disruptive government policies without massive underwriting by governments and without undermining the economic union or social fabric of the Canadian federation. Given an appropriate implementation plan, the Task Force believes that regional adjustments to the removal of barriers could be accomplished without undue hardship or government intervention. Consequently, given the negative impacts on the domestic economy and the international irritants arising from them, the Task Force concludes that the permanent benefits of removing these barriers would outweigh the immediate costs associated with their dismantling.

The Task Force considers the implementation process to be the key element in the dismantling of interprovincial trade barriers. This will require a combination of phasing and transitional policies to be developed in a co-ordinated manner by both levels of government in consultation with business and labour. The Task Force emphasizes that the phasing and transitional programs could be applied differentially among regions and industrial sectors. Transition policies should coincide with the phasing period and should be direct, transparent and market oriented. In addition to the implementation process, assurance measures should be developed which will ensure the completion of barrier removal and prevent their reimposition in the future.