

assurances that the process of barrier removal will be carried to completion and to propose enforcement mechanisms to prevent the reintroduction of barriers in the future.

## 1. ADJUSTMENTS

Adjustments arising from the removal of interprovincial trade barriers are similar for a number of selected barriers analyzed in previous sections of this report. Consequently, the assessment in this section will focus on the adjustments required by governments, business and labour in this process.

### A. GOVERNMENTS

The major rationales for the imposition of interprovincial trade barriers by governments have been regional development and sectoral enhancement, protection of special interest groups and consumer protection in the services sector. In the removal process, governments will be concerned about their ongoing ability to pursue these objectives. Hence, adjustments by governments will involve the development of alternative policies on a co-ordinated basis among one another and in such a fashion that new or different barriers do not emerge. In addition, in order to minimize the costs associated with barrier removal for regions, business and labour, governments will want to employ transitional policies or measures during the implementation period.

Perhaps, the most important aspect of governments' adaptation to the removal of interprovincial barriers is the need for alternative regional development policies that are non-distortionary in their impact on the Canadian economy and non-discriminatory in an international context. One of the options available to governments to initiate such policies would be more direct forms of market oriented assistance, for example, loan guarantees for financial intermediaries, tax incentives linked to operating performance and marketable rights, especially for resource