

board marketing operations in the short-term. Greater import competition, particularly in the brewery and winery industries, would develop as large-scale foreign producers with excess capacity would be able to compete more effectively after the removal of the barriers.

#### **E. FEDERAL AND PROVINCIAL SERVICES REGULATIONS**

Regulation, in the generic sense, is defined as the imposition of rules by the state or its agents backed up by the threat of sanctions with the objective of modifying or controlling private behaviour. At its roots, services regulation has been largely well intended with a view towards consumer protection. In the Canadian federation, protection of consumer interests is a joint jurisdictional concern. The federal government has no over-riding authority. Specifically, each province can assert its concerns for the consumer under the constitutional powers of "property and civil rights" which translates into the licensing and registration of business activity and/or agency control over such activity. Deregulation which properly means reduced economic regulation and improved methods of regulating, oriented towards market principles, challenges both the conviction of government to intervene and the autonomy of provincial authorities. Such accountability and the adequacy of consumer protection is the major cost to be faced in the removal of this class of barriers. To the extent that current regulations also promote regional employment, there would be some negative impacts associated with the elimination of the barriers. In some instances, regulations have the additional effect (unintended or otherwise) of fostering local initiatives. If regulations provide protected markets for resident operators, then their removal would create a shift of resources and some loss of local ownership and control. These costs are considered to be relatively small and clearly transient. Overall, the costs involved in eliminating barriers arising from multiple and differential regulations focus on the jurisdictional autonomy in providing policy direction and supervision including accountability for consumer protection, which would be given up by governments in their harmonization exercises.