

2. IMPLEMENTATION

The adjustments required of governments, business and labour will be dependent upon the methods and timing of interprovincial trade barrier removal. Based upon the foregoing analysis, three aspects of implementation will be discussed - phasing of removal, transitional policies and assurance measures to prevent reimposition of barriers.

A. PHASING OF REMOVAL

The purpose of phasing would be to minimize disruptive costs of barrier removal. These costs are likely to be more immediate and regionally concentrated as compared to the longer term accrual of benefits on a national basis. In effect, the phasing process would better match costs and benefits over a defined period of time. This would also allow time for adaptation by governments, industry and labour to the changing competitive environment. In particular, this process would enable orderly adjustments in the capital and labour markets and provide the opportunity for governments to develop alternate policies for regional development, industrial restructuring and consumer protection. In a freer trade world that could result on a reciprocal basis from the removal of barriers, phasing would permit Canadian industries to meet greater foreign competition in the domestic market and to take advantage of export opportunities. This process need not be accomplished by across-the-board or uniform dismantling of the barriers. Based on a quantification of costs and benefits by regions and industry, phasing could be undertaken on a differential time-frame for different regions and industrial sectors. The phasing schedule should be considered as an integral element in U.S.-Canada trade negotiations.

B. TRANSITIONAL POLICIES

Transitional government policies are another method of minimizing immediate costs and encouraging the adjustments required to maximize the longer term benefits associated with barrier