

B. FEDERAL AND PROVINCIAL REGIONAL AND INDUSTRIAL ASSISTANCE PROGRAMS

Within the Canadian economic union there will always be a requirement for regional assistance programs. This stems from the social-economic objective to promote the development of areas where the standard of living is low, or where there is serious under- or unemployment. Assistance also facilitates the development of common interest projects or those that benefit the economic good of the federation or numerous regions. Finally, at times, assistance is required to remedy serious disturbances in the economy. The removal of assistance programs could have a negative and immediate impact on employment and income generation in regions where the industrial base lacks depth, especially in locales where the labour force is dependent upon a single industry. Likewise affected would be industries and regions where assistance programs constitute compensating policies for the existence of natural constraints such as geography, ethnic concentration, or pockets of chronically low-skilled labour. In such cases, provincial political jurisdictions could feel threatened that their ability to provide policies which promote the well-being of their citizenry is reduced or made less autonomous. Fiscal ability of these provinces could be constrained as tax bases would initially become smaller. To the extent that production inputs are mobile inter-regional labour and capital flows would result. This could further distort the labour skill mix in a given locale. Additionally, non-transferable infrastructure would lie idle in some regions while other regions would experience a co-incident demand for new and different infrastructure. The major lasting issue would appear to focus on ensuring policy autonomy for provincial political jurisdictions wherein development programs would not result in the imposition of new barriers.

C. FEDERAL AND PROVINCIAL AGRICULTURAL POLICIES

The principal cost associated with the removal of agricultural barriers would be a reduction in farm incomes in those sectors covered by supply management marketing boards as excessive prices and profits created by these boards responded to market forces and returned to more normal