DECLASSIFIED = DÉCLASSÉ EXTÉRNAL AFFAIRS - CONFIDENTIAL TERIEUR ...

impact excessively on trade interests. For some services, such as commercial banking and life insurance, domestic policy for valid reasons requires establishment in order to extend the services generated.

Sec. 15(1)

Further information on barriers for Canadian exports is located page 24 of this paper.

Nevertheless, trade irritants have been quite frequent in Canada/U.S. relations in the service sector; these have ranged from border-broadcasting to trucking disputes.

Such irritants have arisen in areas where either Canada or the United States has had more intense regulation (or recently engaged in de-regulation) in pursuit of social or economic objectives that have been at significant variance with the approach being followed at that point in time by the government of the other country.

3. 'JURISDICTION

In Canada, legislative jurisdiction over the field of services is divided between the federal and provincial levels of government by to the <u>Constitution Act</u>, 1867. Some service sectors are exclusively within