

of accomplishing this would be greater reliance on self-regulation. Governments could also encourage industry-initiated consumer protection plans such as the contingency funds in place for the securities industry and proposed for the insurance sector. In an increasingly global economy, Canadian regulators should co-ordinate procedures with their international counterparts, for example, in establishing standards for trans-border data flows.

## **B. INDUSTRIES**

In order for industries to capture the benefits of barrier removal, they must be in a position to rationalize production and increase both their scale and scope of operations. This would be required to meet increased domestic demand, greater foreign competition and expanded export opportunities. This means closing marginal facilities and raising capital for investment in new and modernized plants. Management must rely on private financial markets for their capital requirements and not seek-out government assistance programs. It is only through the acid test of the market that these adjustments will prove viable through time. There may be particular circumstances in some industries which require transitional assistance. An example of this would be programs (such as selling tax losses) that would assist entrepreneurs in transferring capital from one region or industry to another where there are losses in plant and equipment from barrier removal. Such may be the case for the brewing industry which has been forced into a fragmented structure by provincial liquor board practices and which would have to rationalize quickly to remain competitive in an open national market.

With the removal of barriers such as government procurement policies, liquor board practices, agricultural policies, and transportation regulations, industries would have to re-organize their distribution systems on a national rather than a regional basis. In a more competitive world, both nationally and internationally, firms would have to step-up their marketing and promotional activities in domestic and foreign markets. In addition, management should review compensation packages and training programs to ensure an adequate supply of skilled labour for their rationalized