

terms of their effect on trade flows, are likely to be included in discussions and negotiations. Furthermore, these bilateral negotiations likely will cover broader ground and involve more policy harmonization than do multilateral negotiations, which aim

to devise a set of commitments, rules and arrangements which will require countries to modify their national farm policies in ways that contribute to the overall objectives of the agricultural negotiations, but without [emphasis added] requiring them to make explicitly negotiated and legally-binding changes in the fundamental objectives of their policies, the instruments which are used, or the character and coverage of national programs, regulations, and institutional arrangements.⁴

The guiding objective or desired result in FTA negotiations, following equal market access, is not likely to be individual policy harmonization but, rather, a comparable level of protection or subsidy for all sectors -- that is, in the familiar U.S. phrase, a "level playing field". In sectors such as grain, where both countries intervene with many different types of policies, comparable protection might be achieved with relatively little harmonization of specific policies. In sectors that have very different levels of protection and where relatively few interventionist instruments are used, harmonization of specific policies is more likely.

There are three general areas in which an FTA likely would require changes in Canadian policy objectives, instruments, and program coverage. The first is in the level of support any particular sector is accorded, where harmonization likely would be required. The second is in the use of quotas or tariffs that limit access to the Canadian market, which would make supply-management activities of Canadian marketing boards or price discrimination in the domestic market ineffective. The third is in the specificity or targeting of support to specific sectors, which is already