

upon the precise arrangements that are negotiated. One reasonable compromise proposed by a consortium of Alberta Wheat Pool, Manitoba Pool Elevators and Saskatchewan Wheat Pool was that the Wheat Board retain its role as the sole seller of Canadian grain and continue to issue import licenses for wheat and wheat flour.<sup>9</sup> However, the Wheat Board would be required to issue import licenses to any bonafide consumer who wished to purchase U.S. wheat. Consequently, the Wheat Board would be prevented from charging a higher price to domestic consumers for grains, but the integrity of the Wheat Board as a seller of premium wheat would be protected.

Issues involving harmonization of agricultural policies also arise for U.S. trade policy. For example, the U.S. sugar support program depends on import restrictions. Although small amounts of Canadian sugar beet production do not pose a threat to U.S. sugar producers, problems could arise with trade in refined cane sugars and sugar products, unless very restrictive rules of origin were applied to these products.

#### Cultural Support Policies

The cultural issue is different from most other harmonization issues. In other areas, such as tax policy, the worry is that freer trade may enhance harmonization pressures acting on policies not directly concerned with trading relations. In the cultural area, many Canadian support policies are directly aimed at reducing both the free flow of trade in goods and services and international capital movements. Therefore, cultural policies run into direct harmonization pressures because so many of them conflict with what would be understood to be pure "free trade".

Complete free trade in the broadly understood cultural area would set substantial economic forces in train. The elimination of Bill C-58 would mean