extent, in the poultry and some parts of the fruits and vegetables sectors. Clear gains would be likely only for beef, hogs, and small fruits, which is why there appears to be little real enthusiasm for free trade within Canadian agriculture. Most groups, red meats excepted, either oppose inclusion of agriculture in such an agreement or support free trade for others but want their sector exempted.

In identifying harmonization pressures and policy options, we have not appraised whether free trade in agriculture would, in the long term, be good for the industry and for the Canadian economy at large. By focusing on adjustment costs and on disadvantages from reducing the rents farmers receive and from changing the status quo, we have mentioned only briefly the new opportunities that might arise from freer trade. Yet, a market ten times that of Canada could become more accessible, and many Canadian agricultural regions are well located to serve the large U.S. population. Economies of size and product specialization from increased production potentially would be available, certainly for processed products, if existing firms are able to meet the competition. However, specific possibilities, like most new growth opportunities, are almost impossible to predict.

Many Canadian farmers are in a position to expand if domestic-production restrictions as well as interprovincial and bilateral trade barriers are removed. Many of the adjustment pressures Canadian farmers would experience, however, would come from the removal of interprovincial barriers, rather than from a trade agreement with the United States.

Farm producers also could experience adjustment difficulties resulting from price declines in dairy, poultry and eggs, vegetables, and grains. But large consumer benefits must be considered as well. With perhaps the exception of certain health regulations, an open border for agricultural products would be to the advantage of consumers across a wide variety of