

o stabilization programs such as the Agricultural Stabilization Act and the Western Grain Stabilization Act, which provide periodic payments to producers.

In the United States, there are three major programs affecting this sector:

- o a price support operated with government purchases and deficiency payments, augmented with storage subsidies and land diversions;
- o credit facilities to encourage export sales; and
- o export subsidies designed to offset foreign export subsidies.

One noteworthy feature of the U.S. price-support system is that in some years, U.S. government offers-to-purchase effectively provide a floor to world grain prices, benefiting grain producers in Canada as well.

In any one year, either country's policies might provide more protection than the other's, but when compared over a number of years, protection for wheat is slightly higher in Canada.¹⁷ Harmonization issues relate more to Canadian import controls, CWB powers, and to some elements of subsidized freight rates and the nature of each country's stabilization or price-support programs.

On Canadian import controls, the United States likely will press for open-border access. This access will allow entry of lower-quality wheat and bakery product imports, forcing domestic selling prices on these items closer to export price levels. These pressures from an open border on domestic prices of higher-quality wheats will be moderated by existing transportation costs. Depending on particular markets, adjustments in some other grain prices may occur. Some believe that this open border would jeopardize Canada's grain licensing system, the ability to guarantee high-quality wheat