

Removal of the restrictions on Canadian editions of U.S. magazines and periodicals such as Time no doubt would lead to the introduction of some U.S. editions. Although this would reduce the profitability of many Canadian publications, it is unlikely that any of the major publications, such as Macleans, would be lost. The main casualties would be smaller commercial and trade magazines that would find it difficult to compete with their larger and better-financed U.S. counterparts.

These and many more economic pressures would be set up in the cultural policy area by a complete FTA between Canada and the United States. But free trade in this area would not set up economic forces that would cause subsequent policy harmonization. Rather, the anticipated actions of economic forces would lead Canadian negotiators to resist a harmonization of policies that would be dictated by the pure principles of free trade. Disagreements between the negotiators are possible over how these economic forces would really work and over how much deviation from the principles of free trade can be permitted in support of Canadian policies designed to support an independent Canadian cultural industry. These issues are discussed below in the section on negotiation pressures.

Policy Areas Where Pressures Could Be Prevented

In some policy areas, potential harmonization pressures could be reduced or avoided through careful negotiation of the agreement.

Commercial Policy

Two types of pressures to harmonize commercial policies might arise from an FTA agreement. One dimension might be to harmonize bilateral