

Interdependence and internationalization of capital markets underlie the Agreement's provisions respecting financial services. Both countries agree to maintain existing rights and privileges now extended to the other's financial institutions in each other's market. They undertake to improve access and competitive opportunities for traded services consistent with prudential and regulatory requirements.

The Agreement provides for improved and easier border crossing and temporary entry for persons involved in trading goods and services.

INVESTMENT

Both countries maintain existing laws, regulations, policies and practices. For example, restrictions in such sectors as energy, air transport, telecommunications and cultural industries remain. But they agree in the future to extend non-discriminatory treatment to each other's investors in:

- the establishment of new businesses;
- the acquisition of existing firms; and
- the conduct, operation and sale of established enterprises.

Canada retains the right to review significant direct acquisitions by non-Canadians and will phase-out the review of indirect acquisitions.

AGRICULTURE

Nothing in the Agreement in any way affects Canada's right to introduce and maintain programs to protect and stabilize farm incomes. Farm marketing boards will continue. Trade liberalizing measures include exempting each other from restrictions under respective meat import laws, an exemption for Canada from U.S. quantitative import restrictions on products containing 10 percent or less sweetener and prohibition of export subsidies on bilateral trade. There has also been agreement to minimize technical barriers on agricultural, food and beverage goods, which in the past have been barriers to trade.

Beer is not covered in the Agreement. The current provisions that require wines sold in Quebec's grocery stores to be bottled in Quebec remain unchanged.

The Agreement was also drafted with an eye on the multilateral trade negotiations where Canada, the U.S. and some 90 other nations are trying to come to grips with the global trade problem and the world agriculture crisis. Quebec will further benefit by such efforts.