

The system of marketing boards and supply management schemes (including quotas on imports) and our related rights under the GATT (Article XI) remain intact. Nova Scotia's dairy, poultry and egg producers have nothing to fear from this agreement.

The deal on agriculture includes elimination of all tariffs (most over ten years, with average tariff of 6%), as well as elimination of the threat of quotas on some sugar-containing products. Recognizing the special situation of our producers of horticultural products which benefit from seasonal tariffs, we will be allowed during the next 20 years to restore, temporarily, tariffs on fresh fruit and vegetables under depressed price conditions.

We have also reached agreement that technical regulations and inspection procedures will no longer be used to frustrate trade. Finally, we have agreed not to use direct export subsidies in our bilateral trade of agricultural products. Overall, the deal on agriculture should have only a small impact on Nova Scotia.

With respect to trade in alcoholic beverages, the agreement provides that both countries will reduce barriers to trade in wine and distilled spirits. Canada has agreed that at the end of a seven-year period, all U.S. wines will be listed and priced solely on the basis of commercial considerations. The new regime will begin immediately for distilled spirits. All existing measures affecting the sale and distribution of beer are grandfathered, while new measures will benefit from the new dispute settlement mechanism if they are challenged by the U.S.

7) Secure access to the U.S. market for potential Nova Scotia energy exports. We have agreed to reciprocal concessions to remove barriers to trade in oil, gas, electricity and uranium, and both sides have agreed to prohibit most discriminatory measures such as quotas, taxes or pricing on both imports and exports. At the same time, we have maintained our ability to take measures to prevent the over-exploitation of our non-renewable energy resources and to make sure that we have an adequate supply, provided we maintain proportional access for the U.S. to any reduced supply. In effect, we have undertaken to treat good U.S. customers in a fair manner in times of shortage. In addition, we have constrained the ability of the U.S. to limit Canadian imports for reasons of national security.

The provisions of this agreement could benefit potential exports of offshore gas to markets in the northeastern U.S. These exports will benefit, under the terms of this agreement, from secure access to the U.S. market for energy.