

meat and livestock, grains and oilseeds, and potatoes, which we produce in abundance and which form the heart of our farm exports, will be able to compete on an equal footing in the huge American market without the burden of tariffs and other barriers at the border. At the same time, their income stabilization and price support programs remain unimpaired by the Agreement.

Wine and Distilled Spirits

The two governments have agreed to reduce barriers to trade in wine and distilled spirits. The U.S. has long sought to change provincial liquor board marketing practices by ending discriminatory distribution, listing and markup policies. Canada has now agreed that, at the end of a seven-year phase-in period, U.S. wines will be listed and priced solely on the basis of commercial considerations. The new regime will be implemented immediately on spirits. Canadians will, as a result, enjoy greater access to a wide variety of California wines at competitive prices. The brewing industry is not covered in the Agreement.

The Fisheries

Fishermen on both coasts will achieve, within five years, tariff-free access to the U.S. market for virtually all fish products. This will provide the opportunities for fish processors to further process their harvest. The abuse of technical standards, an increasing handicap to Canadian fish exporters, has been curtailed and over time harmonized rules will be developed. The binational panels, established as part of the dispute settlement mechanism for trade remedies, will introduce for the first time, accountability in a process that has often been unfair and unilateral.

Trade in Energy

Over the past decade, bilateral trade in energy has assumed increasing importance to Canadians. In 1985, Canada exported close to \$15 billion in energy products, including oil, gas, electricity and uranium. Billions more are exported in the form of downstream products such as various oil and gas derivatives. That trade provides a livelihood for thousands of Canadians. Some of these exports, however, were limited or threatened by U.S. restrictions and regulatory actions, including restrictions on exports of upgraded