

The United States has agreed to take into account the export interests of Canada in the use of any export subsidy on agricultural exports to third countries. This will be of benefit to Prairie grain producers.

Under the Agreement the U.S. will not impose import quotas on Canadian products containing less than 10 percent sweeteners or on grain or grain products.

The United States and Canada have agreed to work together in the Uruguay Round to achieve, on a global basis, the elimination of all subsidies which distort agricultural trade.

Canadian cattle and beef producers have in the past found their exports blocked as the U.S. triggered its meat import restrictions, often in response to offshore exports. The Agreement will exempt Canada from restrictions under U.S. meat import laws.

Canadian Western Grain Transportation Rail subsidies on exports to the U.S. shipped through the port of Vancouver will be eliminated. This will have a minor impact on grain sales.

## **ENERGY**

Canada and the U.S. have agreed to rules on restrictions on imports and exports of energy, including quantitative restrictions, taxes and minimum import or export price requirements. Export controls are allowed for reasons of short supply or conservation but the previous proportion of exported available supply must be available to the other country. This will be of significant benefit to Alberta oil and gas, Saskatchewan's exports of uranium and Manitoba's exports of electricity.

In particular, the U.S. has agreed to eliminate the legislative restrictions on the enrichment of Canadian uranium exports and both sides have agreed to allow existing or future incentives for oil and gas exploration and development in order to maintain the reserve base for these energy resources.

Both countries have agreed to consult on energy regulatory actions which could directly result in discrimination inconsistent with the Agreement.

The important petrochemical industry will benefit from the elimination of tariffs.