

MANUFACTURING

Resource-based products, such as forest products and chemicals, which have been affected by tariff barriers that discourage further processing in Quebec, will benefit from U.S. tariff elimination. Consumers will benefit from lower tariffs. The elimination of high U.S. tariffs in certain areas, such as petrochemicals and leather, will benefit Quebec. In some cases, access to a wider range of duty-free goods to be used as inputs to final products will enhance competitiveness. In other cases, the phased elimination of the Canadian tariff over 10 years will provide sufficient time for adjustment. Greater access to U.S. federal government procurement (\$4 billion Cdn) should also provide benefits to Quebec manufacturers.

ENERGY

Both sides 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 Agreement will provide an environment for greater expansion and security of Quebec's hydroelectrics export to the U.S.

SERVICES

This is the first international agreement covering trade in services.

Services are the fastest growing sector of the economy in both Canada and the U.S. and account for a rising proportion of bilateral trade.

An unprecedented and comprehensive set of rules is established under which each country will treat foreign services in a manner no less favourable than it does domestic ones insofar as they are affected by future laws or regulations. Both sides will consider future sectoral rollbacks of existing restrictive practices.

The Agreement contains separate and specific undertakings covering tourism, enhanced telecommunications and computer services and contemplates one for transportation services. Mutually acceptable professional standards and accreditation rules in the provision of services are to be developed. The first instance is architectural services.