Trade Agreement promotes the positive, stable investment climate that is vital to a more productive economy, while ensuring Canada's sovereign right to review significant transactions.

Consistent with existing rules under Investment Canada, Canada will continue to welcome the establishment of job-creating new businesses, but reserves the right to review large, direct acquisitions. Review of indirect acquisitions — ownership changes in Canada resulting from mergers in other countries — will be phased out, though Canada's new competition law will still apply. The oil, gas and uranium industries will continue to be reviewed under existing criteria, and ownership restrictions in key sectors such as energy, air transport, telecommunications and cultural industries will be maintained. The unique status of cultural industries is explicitly entrenched. In effect, the cultural industries are exempt. Canada can also ensure that any Crown corporations that are privatized remain in Canadian hands.

For its part, the United States will accord Canadian investors the same rights as their own nationals — an important element of stability for the many Canadian enterprises expanding beyond their Canadian base. Like Canada, the U.S. will maintain its existing sectoral investment restrictions.

Agriculture

Canadians will benefit from a more open environment for trade in farm products. All agricultural tariffs will be eliminated over 10 years, although Canada will be able to cushion domestic producers of fresh fruits and vegetables in times of depressed prices.