

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.

But there is something more in the deal on energy. The bottom line is that by securing our access to the U.S. market, we are also securing Quebec and Canadian supplies of energy. As Quebecers well know, it takes huge sums of money to develop hydropower. In turn, the cost and availability of this money depends on market demand for electricity. By means of the agreement on energy, we have secured the kind of market demand that we need to finance the further development of our energy supply base. And as in the past, these investments to develop Quebec's hydropower will provide significant benefits to the Quebec economy, both in terms of low-cost energy to consumers and industrial benefits related to the development of the hydropower.

4) Improved conditions for trade in agriculture while preserving scope for support programs. Led by l'Union des Producteurs Agricoles (UPA), there was concern expressed in Quebec during the trade negotiations that the talks would bring about fundamental changes to the scope for government support of our farming sector. It should be clear that this did not happen, nor was it our intention. The system of marketing boards and supply management schemes (including quotas on imports) and our related rights under the GATT (Article XI) remain intact. Quebec'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%); elimination of the threat of quotas on Quebec exports of red meat (e.g. veal) and some sugar-containing products, as well as agreement not to introduce any new restrictions on trade in grains. 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, such as those that have affected Quebec exports of pork, 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. With over 60% of Quebec agricultural and food-related exports going to the U.S., Quebec agricultural sector stands to benefit from this agreement.