

We sought exemption from U.S. restrictions on Canadian beef under their meat import law. We obtained that exemption.

And how does the Agreement apply to grains and oilseeds?

Although the U.S. is a relatively small market for Canadian grain and oilseed exports, we believe there is room for growth in areas such as rapeseed oil, high-quality oats, malting barley and wheat. The removal of U.S. tariffs on these products will open new export opportunities.

Direct export subsidies, such as those provided under the U.S. Export Enhancement Program, will be prohibited in our bilateral agricultural trade. Both governments recognized, however, that the export subsidy problem cannot be resolved only on a bilateral basis. It is a multilateral problem which requires a multilateral solution under the General Agreement on Tariffs and Trade.

Under the Free Trade Agreement, therefore, Canada and the U.S. have agreed to consult more closely with each other, to take account of each other's export interests when using export subsidies for sales to third markets and to work together in the GATT to improve trade in agriculture.

Canada has agreed to exempt the U.S. as an eligible destination for Western Grain Transportation Act subsidies on products moving through West Coast ports.

The requirement for import permits for wheat, oats and barley and their products will be eliminated when and only when total levels of support in both countries for each commodity are determined to be equivalent. As far as the impact of the Agreement on our two-price wheat policy is concerned, it will only be felt when there are equivalent support levels on both sides of the border.

Energy is another important sector of Saskatchewan's economy. The first point I want to make on this issue is that the Agreement deals only with trade in energy. The Free Trade Agreement in no way affects the ownership, control and use of energy resources in Saskatchewan or anywhere else in this country.

The guiding principle underlying the energy provisions is that Canada will be a reliable supplier as long as the U.S. is a reliable customer.

This means secure access to U.S. markets for Saskatchewan's petroleum exports.