

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. Canada has ownership restrictions in key sectors such as energy, air transport, telecommunications and cultural industries. These remain in place and the unique status of cultural industries is explicitly entrenched. In effect, the cultural industries are exempt.

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. Beef exports between the two countries will be exempt from restrictions, ensuring that Canadian beef and veal has year-round access to the U.S. market. No export subsidies will be permitted on trade in agricultural products between Canada and the U.S. Canada will also be exempt from any U.S. restrictions affecting products containing 10 per cent or less sweetener, a measure of great importance to the Canadian food-processing industry.