

from any U.S. restrictions affecting products containing 10 percent or less sweetener. The Agreement will be phased in gradually, giving producers sufficient time to adjust to a more competitive market. Emergency safeguard systems for fresh fruits and vegetables will ensure Ontario horticultural producers are protected during their peak season from low-priced American imports.

Ontario dairy, poultry and egg producers will continue to benefit from existing supply management systems, including the maintenance of import controls, which steps will be taken to ensure that Canadian food provisions will not be placed at a competitive disadvantage.

The Agreement will phase out over seven years discriminatory pricing and listing of wine and distilled spirits. Canadian consumers will benefit from a wider choice of competitively-priced wine and liquor. Provincial practices for the sale and distribution of beer remain unchanged. World-class Canadian distillers will enjoy greater and more assured access to the United States.

SERVICES

This is the first international agreement covering trade in services, as well as goods and investment.

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.

Interdependence and internationalization of capital markets underlie the Agreement's provisions respecting financial services. Both countries agree to maintain existing rights and privileges now extended to the other's financial institutions in each other's market. They have undertaken to improve access and competitive opportunities for traded services consistent with prudential and regulatory requirements.