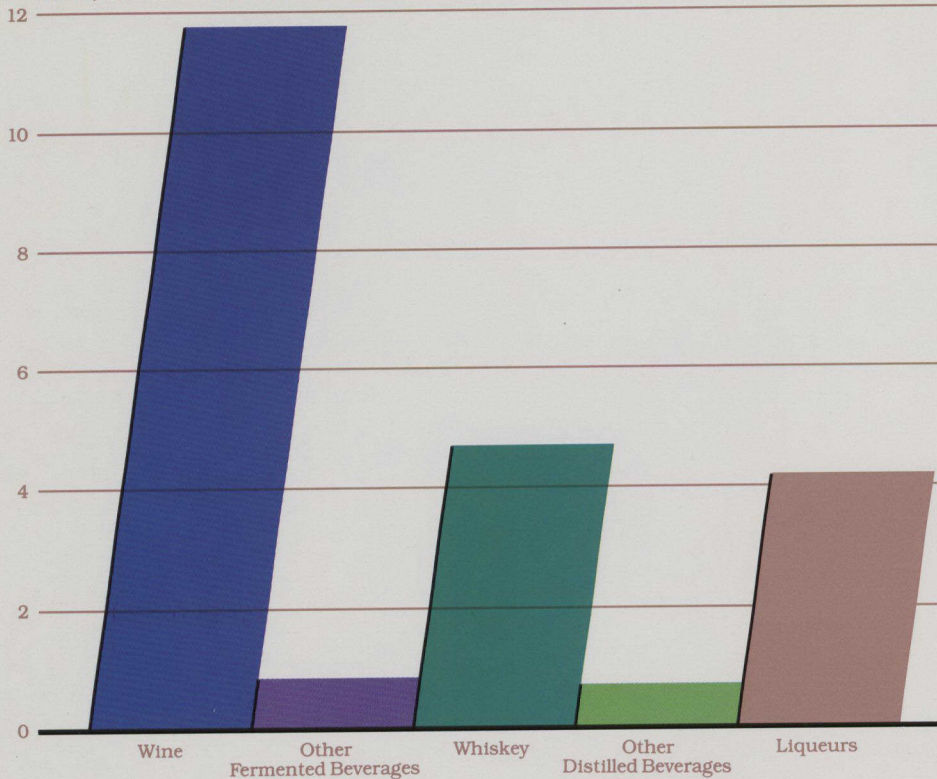


U.S. EXPORTS OF WINE AND SPIRITS TO CANADA 1987, In Millions of U.S. Dollars



Source: Statistics Canada

Wine and Spirits

Canadians are already U.S. wine producers' best foreign customers and the trade in wine and spirits is growing. Under the Free Trade Agreement the Canadian market for U.S. wine and distilled spirits will expand. The agreement provides for immediate equal treatment in both countries for distilled products and wine and the phasing out of the existing differential pricing, listing and distribution practices of Canada's provincially-controlled alcoholic beverage outlets over seven years. Canada will also eliminate requirements that distilled spirits imported in bulk from the United States be blended with Canadian spirits.

The Phasing-Out of Tariffs

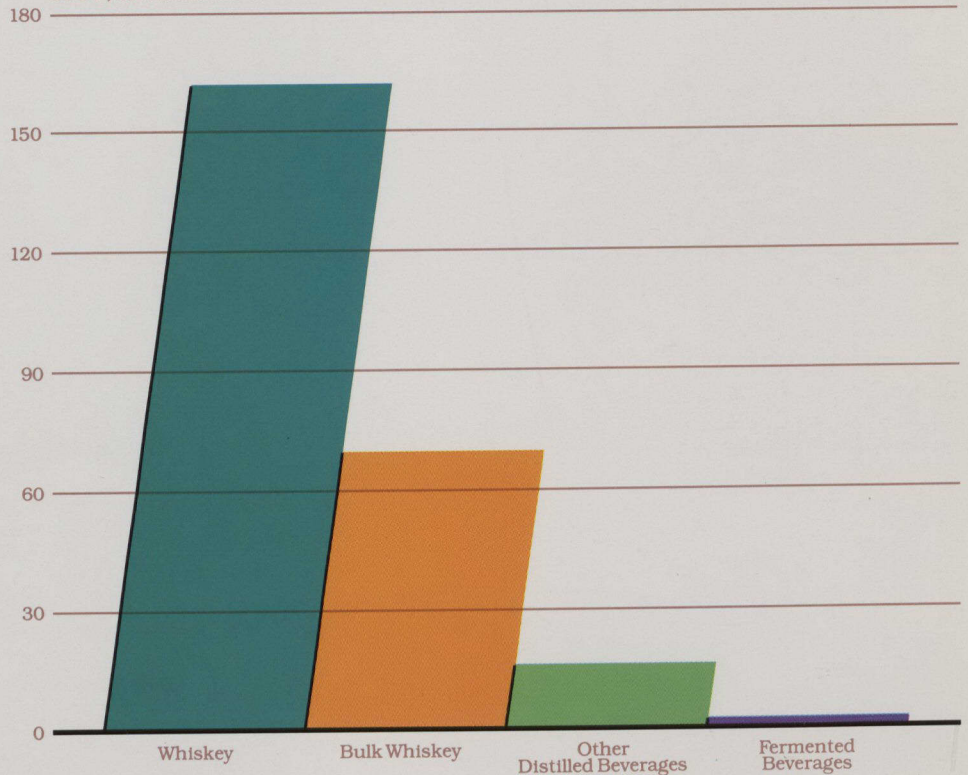
The elimination of tariffs will be gradual, over a 10-year period, to allow time for farmers and processors to adjust. Each country will be permitted to reinstate temporary duties on fruits and vegetables, between 1989 and 2009, in certain low-price situations.

GATT

Canada and the United States agree that the cooperation of all the major trading countries is essential to ensure a fairer, freer trade in agricultural products.

The two countries will work together in the General Agreement on Tariffs and Trade (GATT) negotiations to persuade the other member nations to eliminate all subsidies which distort agricultural trade.

U.S. IMPORTS OF WINE AND SPIRITS FROM CANADA 1987, In Millions of U.S. Dollars



Source: Statistics Canada

Canada

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