from Western Canada rather than from potentially cheaper foreign sources. While there is nothing in the Agreement that precludes governments from setting domestic energy prices higher than export prices, the Agreement constrains our ability to use import controls on energy imports from the United States to achieve such an objective.

Artificially low or high energy prices distort decision making by consumers and investors possibly to the detriment of overall economic growth. Under the current market-based energy pricing system, domestic prices will tend to equal export prices. The Agreement is therefore consistent with the manner in which Canadian energy-pricing policy has been evolving.