

Resource-based products, such as chemicals, pulp and paper and other forest products, which have been affected by tariff barriers that discourage processing in Quebec, will benefit from U.S. tariff elimination.

Quebecers know that it takes huge sums of money to develop hydro power. By means of the Agreement on energy, we have secured the kind of market demand that we need to finance the further development of our energy supply base. As in the past, these investments to develop Quebec's hydro power will provide significant benefits to the Quebec economy, both in terms of low-cost energy to consumers and industrial benefits related to the development of the hydropower.

With over 60 per cent of Quebec agricultural and food-related exports going to the U.S., Quebec's agricultural sector stands to benefit from this agreement. More specifically, exemption from U.S. meat laws will benefit Quebec's beef and veal producers and its meat processing industries. Quebec's access to the U.S. market for cole and root crops will be significantly improved. However, Quebec's fruit and vegetable growers will be protected for 20 years by special tariff measures which can be invoked when prices are abnormally low. Moreover, Quebec's dairy and poultry producers will still be protected. The system of marketing boards and supply management schemes (including quotas on imports) and our related rights under the GATT remain intact.

Current regulations that require wines sold in Quebec's grocery stores to be bottled in Quebec also remain unchanged.

In the services sector, Quebec is strong in areas such as engineering, telecommunications, management consulting, computer services, insurance and banking, as well as tourism.

ATLANTIC

Trade is critical to Atlantic Canada's growth and prosperity. In 1986, New Brunswick exported \$2.6 billion in commodities, of which two-thirds went to the U.S. Nova Scotia exported \$2.1 billion, of which two-thirds also went to the U.S. Newfoundland exported \$1 billion in commodities, more than half to the U.S. Prince Edward Island shipped nearly \$147 million worth of goods, of which 60 per cent crossed the border.

Fish, agriculture, forest products, energy and minerals drive the economy of Atlantic Canada. Some 75,000 people work in these sectors. Their jobs depend heavily on exports. High U.S. tariffs on forest and fish products have prevented these industries from reaching their full potential in the past.

- Atlantic industries have felt the impact of U.S. protectionist trade laws, in such sectors as:
- New Brunswick softwood lumber, white potatoes and French fries;
- P.E.I. groundfish and white potatoes
- Nova Scotia tires, groundfish, salt cod and softwood lumber; and
- Newfoundland salt cod and groundfish.

Under the Canada-U.S. Free Trade Agreement, new binational ways of settling trade disputes will give Canadian exporters more secure access to the U.S. market, enabling them to compete on a sure and equal footing, and ensuring that the many benefits of the Agreement are not undermined in the future.