

THE ATLANTIC REGION

The economic outlook for the four Atlantic provinces is brighter under the prospect of the new Free Trade Agreement between Canada and the United States. It means more jobs for Atlantic Canadians, lower consumer prices and greater security from attack by American competitors seeking an unfair advantage from U.S. trade laws.

The Agreement offers a significant opportunity to add value to many of Atlantic Canada's resource-based products and to reinforce the growing, self-sustaining development of its secondary manufacturing and service sectors. At the same time, Canada's scope to promote regional development remains intact.

Fish, agriculture, forest products, energy and minerals - the sectors which are the underpinnings of the region's economy - are already heavily dependent on foreign trade. So are the 75,000 jobs in these sectors. Conclusion of the Agreement serves not only to protect these industries and the jobs, but also to open the door to new opportunities.

The history of trade liberalization confirms that it leads to more production and employment. Studies by the Economic Council of Canada, the Atlantic Provinces Economic Council and the Newfoundland Economic Council all indicate net gains in output for the Atlantic provinces under free trade.

KEY BENEFITS

Key provisions of the Agreement for Atlantic Canada are the progressive elimination of tariffs and the new mechanisms to settle disputes.

Tariff reductions will increase the scope for further processing of resource-based products in the Atlantic provinces where previously these products (such as fish and forest products) faced high U.S. tariffs. The Agreement will also lower the cost of imports of a whole range of products to be used as inputs to final products. It also means lower prices, more variety and selection for consumers.

The creation of a binding, binational dispute settlement mechanism ensures better management of our trading relationship as a whole and, as it applies to anti-dumping and countervailing duties, begins the process of joint oversight of our laws dealing with unfair trade practices. Over the next five years, the two countries will negotiate a substitute system of anti-dumping and countervail laws in both countries that will further increase our security of access to the U.S. market.

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