

Customs user fees and discriminatory border taxes such as the U.S.'s differential superfund levy on imported oil will be removed. The removal of these latter items and the tariffs will benefit the Come-By-Chance refinery which is very dependent on exports to the U.S.

The 25% Canadian tariff against ships built in the U.S. operating in Canada will also be removed over ten years. However, Canada has reserved the right to apply quantitative restrictions on U.S. vessels until such time as the U.S. removes its prohibition under the Jones Act on Canadian vessels. In addition, the federal Departments of Defence, Transportation, and Fisheries and Oceans will remain free to direct their purchase of vessels and repair work to Canadian yards.

Thus, by the end of the 1990s, all Newfoundlanders will benefit from savings on imports of duty-free consumer products, while Newfoundland manufacturers will benefit from both the duty-free import of inputs to final production (e.g. machinery), as well as from selling its goods duty-free in the U.S. market. A further advantage to Newfoundland manufacturers and fish processors will be that its offshore competitors in the U.S. market will continue to face existing U.S. tariffs, thus providing them with an edge in the market.

In addition to phasing out tariff elimination, the FTA allows for safeguard measures to provide industries with a breathing space if they are facing strong import competition due to tariff elimination. Further, the government (both federal and provincial) has maintained its scope to provide adjustment assistance where necessary, focussing on labour adjustment and building on our current extensive programs of assistance to labour and firms. On November 25, 1987, the Prime Minister announced the creation of an Advisory Council on Adjustment chaired by Jean de Grandpré. The Committee will identify specific adjustment issues or circumstances arising from the FTA and make appropriate recommendations. The Council will assist the federal government in ensuring that Canadians take full advantage of the new opportunities arising from the trade agreement.

More secure access for all Newfoundland exports. A top priority for Newfoundland, as for the rest of Canada, was to obtain greater security in its access to the market so that exporters are not faced with sudden U.S. duties or quotas at the border, that threaten their viability and reduce the incentive to invest in Newfoundland on the basis of selling in the U.S.

LE BUREAU DES NEGOCIATIONS COMMERCIALES
CENTRE DE RECHERCHE
2