

PRAIRIE REGION

The new Free Trade Agreement is designed to enhance new trading opportunities for the Prairies. For residents of the three Prairie provinces, the Agreement will mean more jobs, lower consumer prices and better access to the vital U.S. market for their exports.

In recent years, many of the key export sectors have been vulnerable to U.S. trade action (e.g. oil, gas and red meat in Alberta; potash and uranium in Saskatchewan; and hogs and trucking in Manitoba.)

KEY BENEFITS

Key provisions of the Agreement for the Prairies are the progressive elimination of tariffs, the new mechanism for dispute settlement and provisions relating to agriculture and energy.

Tariff reductions will increase the scope for further processing resource-based products in the Prairies where previously these products (such as petrochemicals) 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. The Agreement 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.

This can only provide greater security of access to the U.S. market for Canadian exporters. That is precisely what the Government set out to achieve.

AGRICULTURE

Prairie farmers will benefit from more secure access to the U.S. market. They will gain from a reduction in U.S. agricultural trade barriers, including tariffs, import quotas, and technical barriers, as well as from the establishment of a new bilateral dispute settlement mechanism. Export subsidies on bilateral trade will be prohibited.