

These provisions are a major step forward in securing the access of Saskatchewan exporters to the U.S. market. With respect to subsidies, anti-dumping and countervailing duties, it provides us with the necessary time to negotiate clear rules of the game that meet our shared concern about unfair trade.

Tariff

Already a large proportion of Canada-U.S. trade is duty-free (about 70%). Of the remaining tariffs, over half will be eliminated in ten equal steps and about a third will go in five equal steps, starting on January 1, 1989. The balance of dutiable goods will face tariff elimination on January 1, 1989.

The three categories for tariff elimination were established on the basis of consultations with the private sector, where Saskatchewan interests were well represented. Both our export interests and import sensitivities were taken into account in this process, and as a result industries on both sides of the border have been given time to adjust to new challenges and opportunities.

For example, tariff elimination will mean more competitive access for Saskatchewan energy and agricultural products.

Thus, by the end of the 1990s, Saskatchewan residents will benefit from savings on imports of duty-free consumer products, while 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 Saskatchewan manufacturers 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 phased 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, 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.

Energy

The Energy Chapter of the agreement is of vital importance to Saskatchewan. Secure access to the U.S. is a major factor in maintaining the health of the industry particularly during the recent period of excess supply and low prices.