

63% of its total exports (valued at \$307 million) are destined for U.S. markets.

The industry will benefit from the elimination of U.S. tariffs on sardines (up to 20%), crabmeat (7.5% to 11%) and groundfish fillets (4 cents per kilogram). These products currently represent close to \$48 million in annual exports to the U.S. As already noted, further processing opportunities could be created by the elimination of U.S. tariffs on prepared fish products (10% to 17.5%).

The provisions of the agreement dealing with countervail and anti-dumping duties will provide important benefits to the fisheries which, in the past, has been subjected to considerable harassment by U.S. competitors using these laws. Further existing restrictions on foreign investment in the fisheries remain in place, while both parties have agreed to ensure that there are no barriers to trade which result from technical barriers (e.g. minimum size requirements). Finally, nothing in the agreement limits our right to require that all fish caught in our economic zone are landed in Canada, nor does it limit in any way our ability to control access to our fish resources.

7) Secure access to the U.S. market for potential New Brunswick energy exports. Electricity generation is a large contributor to the New Brunswick economy, accounting for approximately 8% of provincial GDP. About a third of electricity production is exported to New England, and in 1986 U.S. export sales were valued at \$276 million dollars (the third leading commodity export, behind petroleum and woodpulp). Secure access to the U.S. market for these electricity exports will not only benefit export sales but, in the process of increasing sales volume, will improve the economics of projected new generating capacity in New Brunswick, a benefit to all consumers.

Under the terms of the deal on energy, we have agreed to reciprocal concessions to remove barriers to trade in oil, gas, electricity and uranium, and both sides have agreed to prohibit most discriminatory measures such as quotas, taxes or pricing on both imports and exports. At the same time, we have maintained our ability to take measures to prevent the over-exploitation of our non-renewable energy resources and to make sure that we have an adequate supply, provided we maintain proportional access for the U.S. to any reduced supply. In effect, we have undertaken to treat good U.S. customers in a fair manner in times of shortage. In addition, we have constrained the ability of the U.S. to limit Canadian imports for reasons of national security.

An additional benefit of the energy deal, is that New Brunswick refiners, such as Irving, will benefit from the