

increased sales in the U.S. Removal of tariffs on finished forest products opens up new marketing opportunities in Alaska. Tariff cuts and the removal of non-tariff barriers will encourage more exports of fresh and processed fish from the North.

The Agreement gives Canada security of access to U.S. energy markets. The growth in demand that will result will provide the incentive and resources for finding and developing more oil and gas resources in the North. It sets the stage for more jobs and increased wealth for Northerners.

The tariff cuts on imported mining machinery will make Northern mineral products more competitive. The Agreement gives present and future mineral products from the North secure access to U.S. markets.

SECTORAL BENEFITS

AGRICULTURE

The Canada-U.S. Free Trade Agreement could lead to greater and more diversified agri-food exports, principally as a result of more secure and predictable market access. The Agreement gradually eliminates all tariffs and addresses a broad range of agricultural non-tariff barriers. It also safeguards Canadian agricultural marketing systems and provides flexibility for the introduction of new supply management systems consistent with GATT rights and obligations. There will be adjustment in some commodity areas and in the food processing industry, but overall the agricultural and food industries should do well under the Agreement.

Specific impacts in major agricultural sectors are:

- Potential for increased exports of canola oil, soybean oil, high quality wheat and oats, and milling and pasta wheats.
- Increased export market opportunities for high quality finished cattle for slaughter, and for high quality beef and pork. Some possible opportunities for increased imports of feeder cattle to Canadian feedlots, which will improve capacity utilization and increase the domestic market for feed grains.
- No effect on the milk supply management system. Existing import controls on a broad range of dairy products remain in place and were recently widened in support of the milk supply management system.
- For horticulture, benefits for some specific commodities, no effects on most other commodities, and adjustment for a very few commodities (e.g. grapes). In particular, more secure access to the U.S. market for both table and processed potatoes, and expanded export opportunities for cole crops (broccoli, brussel sprouts and cauliflower), cabbages, carrots, onions and onion sets, sweet corn and English greenhouse cucumbers.
- No effect on primary producer returns for poultry and eggs from tariff reductions since import controls are maintained, although the import quotas for chicken, turkeys, and eggs will be increased slightly to the benefit of food processors.