

exporters to offer electricity to neighbouring provinces at the same terms and conditions. Finally, the FTA has nothing to do with the terms of sale of the Come-By-Chance oil refinery which limited the refinery's sales in Canada.

The Benefits

The Free Trade Agreement has opened the U.S. market to Newfoundland producers and it has provided more secure access to that market. It has provided a more stable environment for foreign capital which will assist in attracting new job-creating investment. It will lower the cost to Newfoundland's consumers of U.S. products and of American industrial inputs used by Newfoundland's industries. At the same time, the scope for federal and provincial governments to promote regional economic development remains intact.

The reports of the Atlantic Provinces Economic Council and the Newfoundland and Labrador Economic Council show that Newfoundland will benefit from free trade. The studies of the impact of free trade done by the Economic Council of Canada show that all Canadian provinces gain in output and employment. They estimate that free trade would result in an up-side gain for Newfoundland of 3.5% of its gross provincial product and provide a 2.8% increase in employment. These estimates do not cover the full benefits of the FTA because they do not take into account the benefit to Canada and Newfoundland of slowing and blocking the growth of U.S. protectionism.

The Fishery

In 1986, the Newfoundland fishery industry had production of \$617 million, of which \$422 million (68%) was exported to the United States. In that year, there were over 26,000 licensed fishermen and 10,000 plant workers in 228 plants. The secure and enhanced access provided by the FTA is important to the livelihood and future prospects of the industry.

The FTA requires U.S. tariff reductions for Canadian products (e.g. fresh and frozen fillets, value-added products such as fish sticks and prepared meals, crab). This will provide an edge for Canadians relative to competitors from other countries and will create new opportunities for Canadian processing of value-added products. The FTA's dispute settlement provisions will ensure that anti-dumping and countervail cases, which the U.S. industry has frequently launched against the Canadian seafood industry, are judged strictly in accordance with the law and all the relevant facts. The time and money spent by