

frivolous trade actions and the number of complaints should drop.

### Tariff

While a large proportion of Canada-U.S. trade is already duty-free, 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 British Columbia 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, there will be scope for British Columbia to add value to its resource-based exports such as forest products which have faced higher tariffs on further processing. On the other hand, sensitive industries such as agriculture as well as most food processing will face tariff elimination over ten years.

Thus, by the end of the 1990s, all British Columbians will benefit from savings on imports of duty-free consumer products, while B.C. 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 British Columbia manufacturers will be that its offshore competitors in the U.S. market will continue to face existing U.S. tariffs, thus providing British Columbians with an edge in the U.S. market.

In addition to phasing out tariffs, the FTA allows for safeguard measures to provide industries with breathing space if they are facing strong import competition due to tariff elimination.

### Manufacturing

For British Columbia's developing manufacturing sector there will be real benefits from tariff removal and enhanced and secure access.

For newsprint, a sector which has recently faced protectionist action from the E.C., access is secured as import restrictions will not be allowed. At present, 9% of exports go to the U.S.

For British Columbia truck manufacturers who have quadrupled their exports to the U.S. since 1980, the