

Thus, by the end of the 1990s, Albertans 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 Alberta 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 phasing 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, the 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 Free Trade Agreement brings real benefits to Alberta. Easier access to the U.S. market has been an important factor in maintaining the health of the industry during a period of excess supply and low prices. Alberta's exports of natural gas to the U.S. represented 35% of total Alberta production. Crude oil exports to the U.S. of \$3 billion represented 25% in 1985. Much more is exported in the form of downstream products such as oil and gas derivatives. This trade provides a livelihood for thousands of Albertans. Some of these exports were limited or threatened by U.S. restrictions and regulatory actions including discriminatory price controls on natural gas and import fees on crude oil. Alberta's oil and gas industry will find its entry into the U.S. market will be much freer. In the future, those Albertans working in the energy sector will have much greater scope to generate profits and employment.

The agreement signed on January 2, 1988 provides greater security for all forms of energy exports (e.g. oil, gas, electricity, uranium, coal) to the U.S. market. It offers the assurance of continued access to U.S. markets freer from growing protectionism in the U.S. Both sides have agreed to prohibit most discriminatory restrictions in whatever form on exports and imports. The reasons for which the U.S. can take restrictive actions have been significantly narrowed, especially in the area of so-called "national security". More specifically, existing U.S. barriers to trade in energy will disappear, including

- tariffs on crude oil and refinery products (including refinery products manufactured from imported crude oil)