

Examples of Newfoundland exports that have been affected by measures under U.S. trade remedy laws include groundfish and salted codfish. More generally, the security of our trading relationship has suffered from the lack of an institutional framework to manage our trading relationship and prevent disputes from degenerating into unilateral border measures and to threaten legitimate programs such as Fisherman's Unemployment Insurance.

The agreement addresses these concerns in three ways. First, by establishing a Canada-U.S. Trade Commission at the political level to oversee and manage all matters covered by the agreement. All trade issues of concern to either side will be referred to the Commission for resolution, either by consultations or under the terms of a new dispute settlement mechanism, including matters related to trade remedy laws (i.e. safeguard measures). With respect to countervailing and anti-dumping duties, we have agreed a) to negotiate over the next five years a new regime to deal with these measures, b) to establish a joint binding panel to guarantee the impartial application of our respective existing laws, and c) to put in place safeguards to ensure that these laws are not changed to our detriment over the next five years.

These provisions of the agreement are a major step forward in securing the access of Newfoundland exporters to the U.S. market. With respect to the difficult issue of subsidies and countervailing duties, it provides us with the necessary time to negotiate clear rules of the game that meet our shared concern about unfair trade, as well as provide scope to pursue important national and provincial objectives such as regional development. In short, the agreement sets a course for increasing the attractiveness of Newfoundland and Canada as a location for investment to serve the U.S. market.

Investment

The investment sections of the FTA will provide an attractive and stable environment for U.S. investors wanting to invest in Newfoundland. However, all Canada's current industry controls on foreign investment will remain. Consequently, foreign investment controls on fish harvesting are not affected.

Energy

The energy provisions of the FTA reaffirm both countries' commitment to their GATT obligations on import and export controls and expand them to ensure that in time of short supply or conservation initiatives that the consumers on both sides of the border are treated fairly. This is done by ensuring that up to the historic shares of available supplies are still available for export to the other country. This is not a guarantee of supply. Access to the U.S. market for Hibernia oil and gas will be more