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SASKATCHEWAN

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Overview

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Saskatchewan is an export oriented province, and the U.S. is its primary market. In 1986, 47% of all exports went to the U.S. Potash, uranium, petroleum, grains and oilseeds represent 94% of provincial exports. Of these, potash, uranium and petroleum are largely directed towards the U.S. market. In 1986, all of crude petroleum exports went to the U.S. 90% of Saskatchewan's meat exports and almost 60% of potash exports went to the U.S.

In addition, about a quarter of Saskatchewan's manufacturing output is destined for export with the lion's share going to the U.S.

Security of Access

Saskatchewan has a major stake in enhancing and securing better access to the U.S. market. Saskatchewan producers have faced the sudden imposition of U.S. duties or quotas at the border. Potash exports to the U.S. which are approximately 60% of production, are now seriously threatened and the government has been forced to take measures to deal with the situation. On September 1st 1987 the Saskatchewan government introduced legislation to manage the supply of potash to protect jobs, revenue and investment in Saskatchewan. This action was a direct result of the recent anti-dumping action in the U.S., where U.S. producers have taken protectionist actions to protect their industry in a situation of global oversupply.

The agreement we have reached with the U.S. will not prevent anti-dumping cases faced by potash producers from arising but it will affect how future cases are decided.

The unique dispute settlement mechanism established in the agreement will guarantee the impartial application of anti-dumping and countervailing duty laws. Appeal of anti-dumping and countervail cases will be heard by an impartial panel on which Canada will have equal representation. This will provide insurance against arbitrary decisions and keep the system free of political influence.

In addition, we have agreed that over the next five years we will negotiate a new regime to deal with anti-dumping and subsidies/countervailing duties. Clearly there are several aspects of U.S. anti-dumping laws which we will seek to change in this review. Safeguards have been put in place to ensure that these laws are not changed to our detriment over the next five years.

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