



Any trade agreements with the U.S. or our GATT partners necessitate adjustment. That is inevitable because trade agreements are designed to create changes in national economies and to channel such change in a positive direction. This involves adjustment but adjustment is a constant feature of the Canadian economy in any event.

About half the manufacturing firms active today did not exist 10 years ago. And there is already a high degree of mobility and adaptability in our labour markets. In any given year, about a fifth of our working-age population either leave or lose their jobs, while at least as many find new jobs.

The adjustment process will be eased by a deliberate phasing-in period. That will provide time to rationalize some sectors if necessary, help in the retraining of workers if that is needed and ensure that


any potential dislocation is quickly overtaken by the much broader benefits to be drawn from an agreement.

A wide range of programs has been put in place by the government under the umbrella of the Canadian Jobs Strategy to facilitate labour adjustment.

Extensive skills training and retraining assistance is available now and will be available in the future to help workers exploit new opportunities, including those arising from free trade. The Industrial Adjustment Service run by Employment and Immigration Canada aids both employers and workers in identifying job opportunities and matching them up with people who can do the job. Mobility and job-search assistance programs also help those contemplating a move to greener pastures.

The funds allocated annually to labour adjustment – about \$1.5

billion under the Canadian Jobs Strategy – play an important role in augmenting the dynamism that is built into our labour force.

The Government is committed to maintaining the social safety net that allows Canada to respond flexibly to changes in the global economy. A new trade agreement with the United States will add to this flexibility and open up the new opportunities for economic growth that provide the best adjustment policy of all. 

CONSUMER INTEREST

Free trade is like lower taxes

We think of trade benefits in terms of jobs and our interests as producers. But we mustn't forget we're consumers too. An import tariff is a tax the consumer eventually pays in higher prices. Other restrictions which reduce the availability of imports have the same effect. In contrast free trade brings a greater selection of goods and lower prices.

The consumer impact goes beyond the ordinary person's shopping basket. Canadian industries using imported goods or services also benefit from lower cost inputs. On the other hand, trade barriers shift income away from the consumer to protected sectors. Thus the Consumers' Association of Canada supports appropriate moves to free trade.
