

the U.S. market, the Agreement will maintain these jobs for Canadians as well.

- The Free Trade Agreement is, for Canada, another step in an historical trend toward trade liberalization. Canadian tariff rates have shown a marked downward trend in the last 30 years as a result of negotiations under the GATT and several sector-specific trade agreements such as the Auto Pact. Average Canadian tariff rates on imports from the United States have fallen from 14 per cent in 1960 to 4.5 per cent in 1987.
- Consistent with our past experience of declining tariffs, the adjustment requirements during the transition phase to free trade will be small and should be easily handled by a growing, competitive, dynamic and flexible Canadian economy. The Department of Finance estimates that free trade will lead to about 1.5 per cent of all employees changing their industry of employment. This would amount to about 16,000 workers per year on average, over the 10-year transition phase of the Free Trade Agreement – and around 25,000 workers if intra-industry job changes are taken into account as well as inter-industry. These estimates are very small compared to past experience and to the adjustments that normally occur in the Canadian economy – every year for instance, there are five million job changes in Canada, involving more than