

tries often have the potential to substantially reduce production costs through specialization and longer production runs which will be made possible by the improved and more secure access to the huge U.S. market. Third, removing tariffs will lower the cost of imported products, not only for consumers but for producers as well. This will allow Canadian industries using intermediate products imported from the United States to reduce their production costs and become more competitive, not only in the U.S. but also in overseas markets such as the EEC.

New Jobs Created

- The Free Trade Agreement will not require a long period to increase Canadian real income and standards of living; its benefits will become apparent in terms of stronger economic growth, lower prices and enhanced job creation shortly after its implementation. Department of Finance estimates suggest that 120,000 net new jobs will be created by 1993 as a result of the Agreement, only five years into the phasing in of the Agreement. The number of new jobs will continue to grow as the Agreement is fully implemented.
- Other studies prepared prior to the Canada-United States Free Trade Agreement, and based on differing assumptions about the speed of implementation of free trade and the extent of reductions in non-