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output, employment and investment throughout the economy. The net result would be deteriorating economic performance in almost all sectors of the Canadian economy.

The Department of Finance's analysis estimates that the Free Trade Agreement, in addition to providing a positive stimulus to job creation, could also secure 75,000 or more Canadian jobs by 1993, jobs which would be at considerable risk due to the possibility of increases in U.S. protectionism in the absence of a free trade agreement.

This illustrative scenario is relatively moderate in comparison to the magnitude of certain U.S. protectionist actions that have impacted on particular sectors of the Canadian economy in recent years. It is also

a conservative scenario compared to those developed by other organizations. For example, on the assumption that the United States imposed a 20-per-cent surcharge on imports of most manufactured goods and the trading partners of the United States retaliated with equivalent measures, the Economic Council of Canada<sup>(13)</sup> estimated that Canada would lose 520,000 jobs over a nine-year period. Informetrica<sup>(14)</sup> estimated that an effective rise in U.S. tariffs of 10 percentage points could cost Canada 100,000 jobs.

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<sup>(13)</sup> Economic Council of Canada, *Changing Times*, Twenty-Third Annual Review, Minister of Supply and Services Canada, Ottawa: 1986, p. 24.

<sup>(14)</sup> Informetrica Ltd., *Economic Impacts of Enhanced Bilateral Trade*, Ottawa: August 1985.