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The Department of Finance analysis suggests that the Canadian economy should have few difficulties in responding to the new opportunities provided by the Agreement and in making the adjustments that will be required. This conclusion is based on the following considerations.

- First, the Canadian economy has shown a great deal of flexibility and adaptability in handling the size and types of changes that will be required. Between 1960 and 1987, average Canadian tariff rates vis-à-vis the United States have dropped from 14 per cent to 4.5 per cent; yet, during that period, incomes and output grew more than 200 per cent.
- Second, the reduction in trade barriers will be implemented gradually over 10 years, giving enough time for businesses and workers to adapt to the free trade environment.
- Third, the Canadian economy is well positioned to adjust quickly and smoothly and to take advantage of the new opportunities provided by the improved and more secure access to the U.S. market. Canada's international competitive position has improved substantially over the past several years. Since 1983, Canada's record of output and employment growth has been the best of all major industrialized countries.

- Fourth, the adjustment requirements will be minimal compared with the changes normally occurring — every year for instance, there are five million job changes in Canada involving more than four million workers — and the federal government has in place a wide array of programs to assist individuals and businesses to adapt to changes in business and labour market conditions that will arise from free trade.

Substantial programs are in place to assist Canadian workers and businesses to respond to the Agreement. Additional training and adjustment programs have recently been announced as part of the Labour Force Development Strategy. The most important federal program directed at labour adjustment is the Canadian Jobs Strategy, that provides financial assistance for training, job development and relocation of workers. Employment and Immigration Canada also runs the Industrial Adjustment Service and provides counselling, referral and placement services. Unemployment Insurance is always available to help Canadians make the transition from one job to another.