
Substantial programs are in place to assist Canadian workers and businesses to respond to the Agreement. The most important federal program directed at labour adjustment is the Canadian Jobs Strategy, which 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. An equally extensive range of programs is available which will help Canadian businesses capitalize on the new opportunities created by the Agreement. They include: the Trade Commissioner service of the Department of External Affairs; the Program for Export Market Development; and the new approach to regional development embodied in the programs and services of the Atlantic Canada Opportunities Agency, the Western Diversification Office and the Federal Economic Development Initiative in Northern Ontario. The Prime Minister has recently announced the establishment of the Advisory Council on Adjustment, composed of representatives from business and labour organizations and academics, to advise the government on the effectiveness of these programs in the context of the Agreement.

Minerals and Metals

This paper assesses both the short-run and long-run impacts of the Agreement on the minerals and primary metals sector.¹

Canada's minerals and metals industry will derive important benefits from the Agreement. Some will be immediate and others will come in the mid- to late 1990s when the effects of trade liberalization permeate the entire economy. Achieving greater balance in world mineral and metal markets will also help the industry in realizing the full benefits of liberalized trade. The industry is heavily export oriented and will be able to adapt to a more vigorous free trade environment.

The Agreement is timely for Canada's minerals and metals industry. It has experienced major cyclical and structural changes over the past 15 years, particularly since 1981-82 when most world commodity prices slumped. Weak mineral and metal prices and crippling financial losses prompted Canadian and world mining firms to take remedial measures to restore profitability. These measures included mine and plant closures, layoffs, capital write-offs, the introduction of new mining methods and rationalization of operations. These adjustments, though painful, have placed the Canadian minerals and metals industry among the lowest cost and most competitive in the world. The Canadian industry is now in a position to take full advantage of the trade opportunities afforded by the Agreement.

¹ Although some of the statistical data includes uranium, the impacts of the Agreement on uranium are examined in another paper, *The Canada-U.S. Free Trade Agreement and Energy: An Assessment*. Coal is examined in this paper but is also touched on in the energy assessment.