

Table 6
Real Income Gains by Region from the Free Trade Agreement

	Percentage change
Atlantic Region	2.3
Quebec	2.3
Ontario	2.7
Prairies	2.4
British Columbia	2.5
Canada	2.5

Source: Department of Finance.

(d) More Secure Access to the U.S. Market

All of the studies summarized in this chapter have assessed the benefits of Canada-U.S. free trade relative to the current, or status quo, bilateral trading environment. However, it is clear that increased protectionist threats and actions by the United States would worsen the medium-term and longer-term economic outlook for the Canadian economy. Increased U.S. protectionism would impact negatively on the Canadian economy directly, as specific measures reduce sales, production and employment in specific sectors and regions, and indirectly, as other countries retaliated and international confidence, trade and growth retrenched.

Therefore, by providing more secure access to the huge U.S. marketplace, the Agreement provides additional economic benefits in that it will help to maintain the vigorous pace of output and employment expansion that the Canadian economy has experienced in recent years. Illustrative estimates of the potential benefits from avoiding further U.S. protectionist measures, prepared by both private and public sector organizations and the Department of Finance, are reported in the next chapter.