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In the Prairie provinces, the energy sector will benefit from enhanced and more secure access to the U.S. market. This will allow the Prairie provinces to more fully realize their export potential which will mean significantly higher export revenues and incomes for these provinces. Enhanced investor confidence resulting from the creation of a more stable trading environment will assist the fuller development of energy resources. Furthermore, the development of certain projects in the Prairie provinces may be facilitated by economies of scale as a result of more secure access to the huge U.S. market and this should allow for greater diversification of the Western Canadian economy. The Prairie provinces will also gain from the provisions of the Free Trade Agreement affecting the agriculture sector. The Agreement will provide an opportunity for increased and more diversified growth of Canadian agricultural exports to the United States with the assurance of more secure and predictable access.

In both the West and Quebec, electricity producers can be assured of fairer treatment with respect to U.S. import regu-

lations and policies. In Quebec, manufacturing in general will gain and, as well, the prospects are promising for further investment in the aluminum industry.

Improved market access, similarly, should benefit the high technology sector in Ontario. In the auto sector, the new rules of origin which require a greater proportion of North American content will encourage vehicle assemblers operating outside the Auto Pact to purchase more parts from North American manufacturers. The recent performance of Canadian automobile parts manufacturers indicates that they can compete with their U.S. counterparts and that they should get their share of the additional North American sourcing.

Over all, central Canada with its large manufacturing base will benefit from a stronger and larger manufacturing sector. Other regions will benefit from the lower prices of manufactured goods, the greater scope for the further processing of their resources and improved prospects for diversifying their economies.