

Canadian real income in the long term by *at least* 2.5 per cent. This represents a *permanent* real income gain of \$12 billion annually in today's dollars, or an increase of about \$450 per capita annually in real purchasing power. This is equivalent to a real income gain of about \$1,800 per year for a Canadian household of four.

### **Additional Benefits**

- This 2.5-per-cent gain in real income likely underestimates the size of the economic benefits resulting from the Agreement. There are other benefits that are likely to flow from the Agreement and, while they may be difficult to measure, they are nonetheless real and potentially very large. These include benefits that will result from freer trade in services, liberalization of conditions for cross-border investments, a reduction in uncertainty due to more secure access to the large U.S. market, and a more flexible and more innovative economy. As well, the Free Trade Agreement increases the likelihood that the current round of GATT negotiations will be successful, leading to further reductions in multilateral trade barriers and increased international trade.
- Experiences of countries which have liberalized their international trade provide strong support to the conclusion that the Free Trade Agreement will generate significant economic benefits for Canada.