

The Atlantic provinces benefit the most in real output terms; Central Canada registers average benefits; and the West is below average. In the case of all four of the Atlantic provinces, this is due largely to the impact on the fishing industry. As well, a healthy increase in metal mining helps Newfoundland, Nova Scotia and New Brunswick. Food manufacturing, which is benefited by the removal of a large United States non-tariff barrier, provides substantial stimulus to Nova Scotia and New Brunswick.

The comparatively strong gain in goods production is sufficient to draw population into the region, and the benefits to goods production is reinforced by increased output of services to supply the larger population as well as increased activity in the goods-producing industries.

Ontario and Quebec benefit from a strong showing on the part of the manufacturing sector. Ontario benefits especially because of the particularly large increases in durables manufactures. Quebec, in contrast, has an industrial structure dominated by manufacture of non-durables, including a number that are negatively affected by the removal of protective tariffs. It should also be noted that the assumed large gains in manufacturing labour productivity implies dampened employment opportunities in both Ontario and Quebec, leading to a small negative impact on the population of the two provinces. This mitigates the positive impact on provincial services sectors flowing from increased activity of the goods-producing industries.

Ironically, the Prairies, at least in output terms, do not benefit as much from enhanced trade as popular opinion would lead one