

One consideration for investors is the size of the market. The market sizes in the North American economy are roughly as follows:

| | |
|---------------------|-------------------------|
| Canada | over 25 million |
| United States | over 245 million |
| Mexico | over 80 million |
| Total Market | over 350 million |

If Canada chose to remain outside of the emerging North American free trade market, the United States would be the only country with free trade access to the entire North American market of over 350 million people.

If a firm invested in Mexico, it would have free trade access to a market of over 325 million, whereas if a firm invested in Canada, it would only have free trade access to a market of about 270 million.

It is therefore clear that, by being part of the emerging North American free trade market, Canada will have more to offer to investors than if we were confined to a smaller market.

In addition to helping to attract new investment and create jobs here in Canada, access to the immense North American free trade market will encourage existing investment to remain in Canada.

Demography, geography and history have taught Canadians that to prosper, we must have access to larger markets.

The experience of the Depression forcefully demonstrated that Canadians will not prosper if we are confined to a small market. This is why Canada is a trading nation that remains at the forefront of trade liberalization throughout the world.

4. CANADA'S TRADE PRIORITIES

The Mexico trade talks complement our overall trade strategy. The GATT remains the cornerstone of Canada's trade strategy. We are