

cultural industries, legal services, all transportation modes and basic telecommunications.

Financial Services

Both Canada and the United States want to create greater opportunities for their financial institutions to provide services, both at home and in each other's market. The Agreement will provide this opportunity in a way that safeguards the public interest.

Canada will end the 25 per cent foreign ownership restriction in Canadian-controlled financial institutions while maintaining the 10 per cent limit on any one shareholder — the principal measure which ensures broad ownership. This will allow our large world-class financial institutions to tap global financial markets and enhance their financial strength. Canada will also exempt U.S. bank subsidiaries from the asset ceiling on foreign banks — a policy already altered by the fundamental regulatory reforms announced last year.

Canadian banks in the United States will be able to trade and distribute securities issued or guaranteed by Canadian governments — federal, provincial and municipal — an important new opportunity previously denied under U.S. legislation.

Finally, Canadian financial institutions operating in the U.S. are now guaranteed that they will enjoy the same rights as American financial institutions upon implementation of proposed American financial reforms.

Investment

Trade and investment go hand in hand to produce economic development. The Free