

### *Temporary Entry for Business Purposes*

Export sales today require more than a good product at a good price. They also require a good sales network and, most of all, reliable after-sales service. U.S. immigration regulations have often frustrated the access of Canadians seeking to enter the U.S. to work with their customers or to provide after-sales service. In order to increase sales to the U.S., therefore, Canadians need reliable and easy temporary access to their customers. The Agreement will provide for such improved and easier border crossing by business persons. Canadians travelling to the U.S. on business, including those engaged in the service industries, such as consulting engineering services, will find that the new rules to be established in the Agreement will ease their border crossings and increase their sales.

### *Financial Services*

The treatment of financial services in the Agreement will be balanced and will open up a major new area of the securities market for Canadian banks in the U.S. As well, it builds on the access Canadian financial institutions currently enjoy south of the border.

As part of the Government's pledge to remove restrictions handicapping Canada's financial institutions, Canadian banks can now engage in securities activities in Canada. This liberalization of financial services has proceeded at a much slower pace in the U.S. As a result, Canadian banks in the U.S. that acquire securities firms could engage in banking or securities activities, but not both. The Agreement makes a major breakthrough in this area. From now on, Canadian banks operating in the U.S. will be able underwrite and deal in Canadian government securities. The U.S. Glass-Steagall Act, regulating the relationship between securities and banking, now prohibits such activities. Canadian governments, at all levels, will benefit from this change as there will be more competition for the billions of dollars in securities annually raised in the U.S.

For the first time, Canadian banks will now also have a guaranteed right to engage in interstate banking. The insurance industry, especially the life and health companies, has achieved secure access to the U.S. market. As well, it has gained a commitment from state legislatures and their regulators to provide the same treatment they accord to American financial institutions.