

Several important concessions were gained for Canadian financial institutions. Some provisions of the U.S. Glass-Steagall Act will be reversed for Canadian banks operating in the U.S. so that they will now be able to underwrite and deal in securities issued or backed by Canadian governments. Canadian banks have a guaranteed right to engage in interstate banking and will be well positioned to take advantage of the expected liberalization of U.S. interstate banking laws. The insurance industry has been guaranteed that their present high level of access to the U.S. is secure.

Ontario and particularly Toronto will benefit from these changes as they secure the future of the many Toronto jobs within the international headquarters of Canadian firms that serve the U.S. market. The additional access will help these firms grow over time.

Culture

Canada's major cultural industries are specifically exempted from the provisions of the agreement. It is only fair that if cultural industries are exempt from the disciplines in the agreement, they are also exempt from the benefits.

The industries exempted include publishing (books, magazines, periodicals, newspapers), film and video, music recordings, broadcasting and cable television, with the exception of the printing industry, and the exemption applies to production, distribution, sale or exhibition in these sectors.

Canada has agreed to offer to purchase a business in the cultural industries at a fair, open market value (determined by impartial assessment) should it require the divestiture of a U.S.-controlled business as part of the Investment Canada review of any indirect takeovers in the cultural sector.

Canada has also agreed to two other measures. These are: 1) to remove the requirement in the Income Tax Act that periodicals must be typeset and printed in Canada for Canadian companies to be eligible to deduct advertising expenses for income tax purposes; 2) to revise the Copyright Act to provide protection to holders of copyright programming retransmitted by cable television so that a remuneration system will be in place by January 1, 1990

In sum, Canada's cultural identity and Toronto's wide-ranging cultural industries will not be adversely affected by the agreement.