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services purchased by the federal government are outside the scope of the Agreement.

### **Cultural Industries**

From the beginning of the negotiations, Canada stated that the government's capacity to assist cultural industries would be maintained. In fact, the Agreement does nothing to prevent Canada from adopting policies to protect and promote Canadian culture and the industries that support it.

Indeed, Canada's cultural industries are exempt from the Agreement, except for four minor undertakings. Cultural industries include those enterprises engaged in any of the following activities: publishing, including electronic publishing; film and video; music and sound recording; and radio and TV broadcasting, including cable television, satellite programming and other broadcasting network services. The production, distribution, sale or exhibition of cultural goods or services relating to these industries is included in the exemption. The printing industry is not included as part of the cultural industries and is not exempt.

The four undertakings mentioned above are the following. First, both countries have agreed to eliminate all tariffs, including those that apply to cultural products. Second, when a U.S. company is required by Canadian law to sell a Canadian cultural business, Canada will ensure that the seller receives a fair market value. Third, both countries will provide copyright protection for cable retransmission of broadcast programming from distant television stations. Fourth, the requirement for

a Canadian magazine or newspaper to be typeset and printed in Canada in order that Canadian advertisers be able to deduct their expenses for advertising space in that magazine will be eliminated. In addition, the provision in the Agreement on the exemption of cultural industries provides that if either Canada or the United States introduces a cultural measure that is inconsistent with the obligations in the Agreement, either country may only take measures of equivalent commercial effect in response to such actions.

Existing Investment Canada policies which permit the review of foreign investments in cultural industries are maintained, as are Canadian ownership requirements in the broadcasting and cable television sector under the *Broadcasting Act*. Canadian cultural institutions such as the CBC, the National Film Board, and Telefilm Canada are not affected, nor are federal or provincial subsidies for cultural programs.

### **Investment**

The investment chapter of the Agreement ensures that, with certain exceptions, Canada and the United States will, in adopting future regulations, provide each other's investors with the same treatment as that given to their own investors, i.e. national treatment. These provisions, together with those related to services and tariff reductions, will give Canadian entrepreneurs, both women and men, secure access to a much larger North American market of 270 million people.