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In addition to these explicit set-asides, the Small Business Administration (SBA) provides loan guarantees and business assistance for small and minority-owned businesses, and acts as prime contractor to government for those who take part in its "8(a)" program. It also actively encourages subcontract awards to small business, and rewards prime contractors who exceed their small business subcontracting goals. Subcontract awards to Canadian firms, regardless of size, would not help a prime contractor to meet such goals.

The effect of set-asides is far-reaching. In 1991, a total of \$189.6 billion was awarded in contracts worth more than \$25,000. Of those large contracts, \$6.0 billion was set-aside for small business and \$3.8 billion was awarded through the 8(a) program. \$21.1 billion was awarded in contracts worth less than \$25,000. In total, \$31.8 billion in contracts was completely inaccessible to Canadian firms.

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