

HG5152
.C332

c. 1 aa

Canada

The right attitude





The right attitude starts here.

INDUSTRY, SCIENCE AND
TECHNOLOGY CANADA
LIBRARY
OCT - 6 1994

BIBLIOTHÈQUE
INDUSTRIE, SCIENCES ET
TECHNOLOGIE CANADA

The right attitude toward foreign investment starts with the Canadian government: specifically with Investment Canada.

This new agency replaces the Foreign Investment Review Agency. Investment Canada encourages investment by both Canadians and non-Canadians. The agency also carries out basic investment research and advises on investment policy. It reviews certain large-scale non-Canadian investment.

The new policy has brought about a major shift in investment emphasis. In fact, there are now no reviews for most investments made by non-Canadians. The sole requirement is to notify Investment Canada of the investment. This is done by filing a brief notification within 30 days of its inception.

Financial incentives for investors

There are a great many federal incentive programs offered to investors who are either starting up or expanding a business here. The programs are generous, varied and highly competitive with other jurisdictions. They include both grants and tax advantages, loan guarantees and insurance. What's more, each province has its own separate (and often complementary) incentive program. These are well worth examining.

Knowing the need for flexibility, we are constantly reviewing the programs to respond to the changing needs of investors. Obviously, these principles of change and response also apply to taxation. For these reasons, you'll find a separate "Tax and Financial Incentives Update" section included in this package. This special section is reviewed and brought up to date every quarter.

Investments in cultural industries not normally subject to review may be reviewed if the government feels it is in the public interest. These include publishing, film, video, audio or music companies.

Major acquisitions are reviewed in order to satisfy the "net benefit to Canada" requirement. These include takeovers of Canadian businesses with assets of Cdn\$5 million or more. If control is acquired through the takeover of a foreign parent, the threshold is Cdn\$50 million.

Investment Canada has produced considerable research on current investment patterns, industrial trends and profiles and technology infrastructure. Our investment and legal counsellors will be happy to give you advice on any matter bearing on your investment.

We can, for example, provide you with the most up to date information on:

- energy costs across the country;
- regional centres of advanced technology;
- the technological infrastructure;
- industrial profiles;
- federal and provincial industrial incentives;
- joint ventures and licensing arrangements.



Further, we can help you:
make contacts in the public and private sectors coast to coast;
define your investment proposals;
identify potential investment opportunities and partners;
identify sources of capital and technology.

Finally, we can advise you on the precise legal interpretation and application of the Investment Canada Act. We can provide general information on other federal legislation affecting your business.

In Canada or the United States, simply call our toll free number: 1-800-297-0490.

Outside Canada, contact the nearest Canadian embassy consulate, or trade commission.

Other examples of our government's welcoming attitude:

Crude oil prices are deregulated. Oil and gas

producers can market what they find wherever they choose. (Exception: long term export contracts.) The tax on new oil and gas ventures is gone.

There are no foreign exchange restrictions whatsoever. You're free to remit your profits wherever and whenever you choose. This freedom includes both dividends and royalties.

The deal we offer is simple. You bring us competitive investment; we'll give you the environment to make it grow.

Joint venture #1

Wladimir Talanczuk Aircraft Manufacturing (Edmonton, Alberta) with Beijing Chang Fing Aircraft Manufacturing, China: to produce 500 ultralight agricultural spray aircraft.

World product mandate #1

Pratt and Whitney Canada Inc. (7,418 employees) Develops and manufactures smaller gas turbine engines for aircraft.

1984 revenues: Cdn\$644 million, an increase of 18% over 1983.

Exports in 1984: Cdn\$535 million or 83% of total revenue.



The Business Immigrant Program

Welcome to one of
the most favourable
investment climates
in the world.

Canada welcomes your business experience. The business immigrant program is designed to attract successful non-Canadian business persons. It is designed for three categories: the entrepreneur, the investor and the self-employed.

During 1985/86, over 2000 immigrants took advantage of this program. For 1986/87, the level has been set at 4000. This new level clearly demonstrates the commitment to attract more entrepreneurs to one of the most favourable investment climates in the world.

The term of conditional admission for entrepreneurs is now two years. This means quick access for those qualified and gives ample time to set up business. In exceptional cases, a conditional admission for up to three years will apply.

Joint venture #2

Acelot Ammonia Company (Kitimat, British Columbia) with Ocelot and Devco, Tulsa, Oklahoma: Cdn\$80 million ammonia plant for the export market.

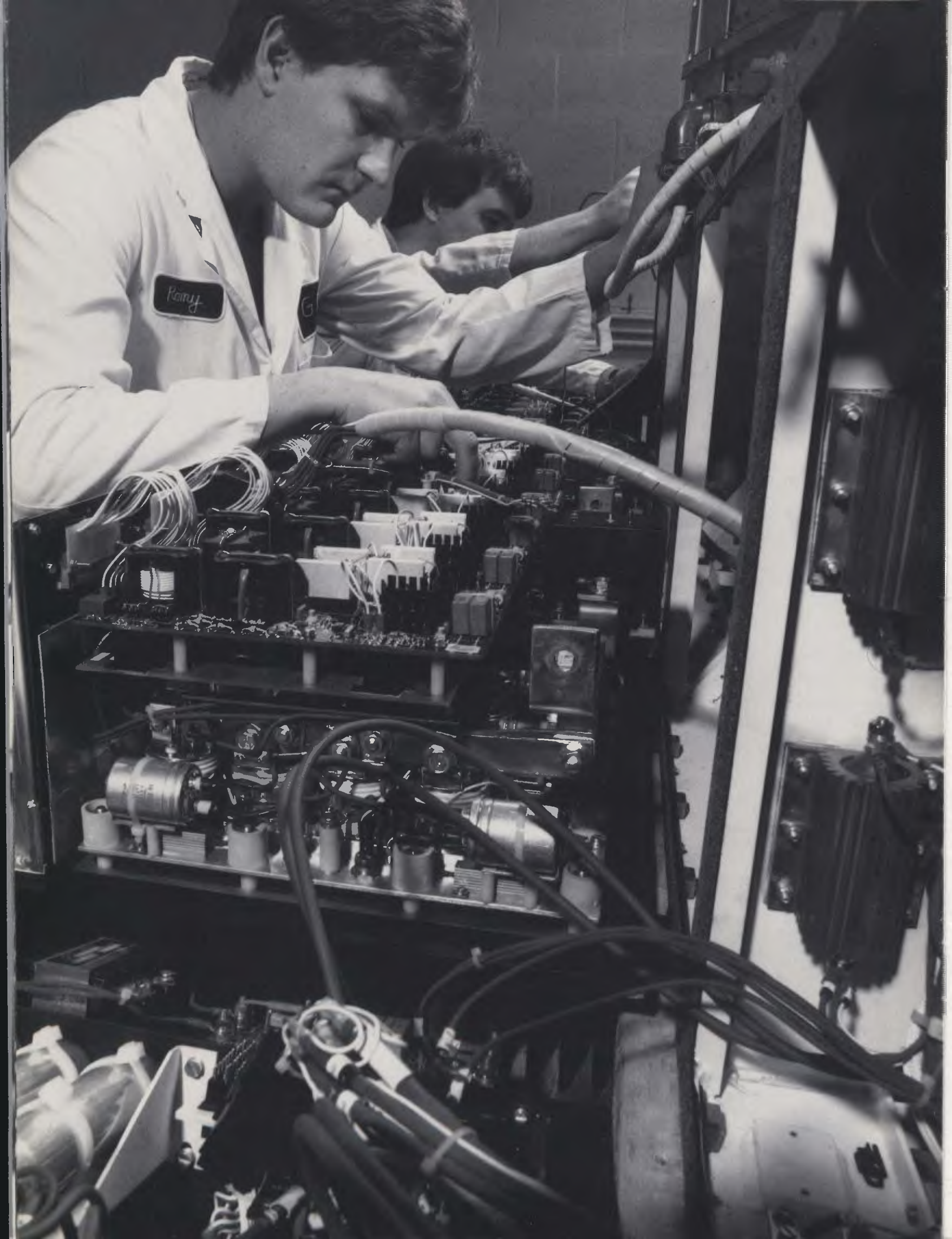
Joint venture #3

Hydro Quebec (Quebec) with Canadian Liquid Air Ltd.: Cdn\$30 million liquid hydrogen plant.

In 1983, Canada introduced a special program to improve the quality of service to business immigrants. Specially trained business development officers are now working in 41 of Canada's embassies and consulates around the world. Other diplomatic staff, including commercial officers and investment counsellors, are also available.

Once in Canada, counselling is provided by local officers of the Department of Regional Industrial Expansion. Further, Canada's Federal Business Development Bank (See "Where to get capital" section) offers a computerized national business/investor introduction service. This can be of great service to non-Canadian investors as it helps them identify the most suitable opportunities.

A special business visa is now available to those who enter the country from time to time to oversee their investments, but who do not wish to immigrate to Canada. This visa allows multiple entries and is valid for one year.



Four ways to operate a business in Canada.

Commercial activity is generally carried on through one of four types of business organizations:

- Sole proprietorships;
- Partnerships, both general and limited;
- Corporations;
- Joint Ventures.

Corporations are the most common form of business organization. But for particular business, legal or taxation considerations, partnerships or joint ventures may be the form best suited to a particular investment.

Sole Proprietorship is the simplest form of business organization. Normally, it is used only with respect to very small business ventures. The business is owned and operated by a single individual who is personally responsible for all debts and obligations and is entitled to the benefit of all profits.

Partnerships consist of two or more individuals (or corporations) carrying on business together. A partnership is not a separate legal entity. In a general partnership, the partners each have unlimited personal liability for the debts and losses of the partnership. Limited partnerships have two types of partners; general and limited. The general partner is responsible for the management of the partnership and has unlimited personal liability for the partnership. Limited partners (who are not part of management) may restrict their

liability to their financial contribution to the partnership. Partnerships may be advantageous for certain income tax purposes.

Corporations are legal entities, separate and distinct from their shareholders. This separate identity limits the liability of the shareholders for the obligations of the corporation. Flexibility, taxation and financing advantages may also lead to the selection of a corporation as the most appropriate vehicle for a particular investment.

A corporation may incorporate under either federal or provincial jurisdiction. All corporations will have the same basic characteristics, but the federal and provincial corporation laws under which they are incorporated will differ somewhat (public disclosure, for example). Choosing between federal and provincial incorporation will depend upon a number of factors, including the scope and nature of the proposed business.

Another option: a corporation incorporated outside of Canada may carry on business through a branch operation. Certain regulations must be satisfied. A branch operation makes the foreign corporation directly subject to Canadian law. Taxation consequences and availability of government incentive programs are other factors to be considered.

Joint Venture is a term used to refer to a wide variety of types of business organizations, (other than partnerships) where the business is carried on by more than one party. Most commonly, it refers to a particular business project undertaken by two or more parties who are already carrying on a business.

World product mandate #2

Xerox Canada Inc. (620 employees) Manufactures document sorters for world markets.

1984 revenues: Cdn\$753.9 million; profit Cdn\$56.4 million

In 1983, exported Cdn\$147 million through world product mandating.

The banking and credit system

Where to get capital.

The system The supply of money and credit is controlled through a central bank: The Bank of Canada. This responsibility is discharged through The Bank's position as banker to both the federal and provincial governments and the commercial banks. Although The Bank has sole control over the flow of currency, it does not intervene in private sector investment decisions.

The chartered banks The Canadian banking system is the major source of external debt financing. Although the banks have been the primary source of short-term business working capital, they now extend many long-term loans (plant expansion, export financing, etc.). They also engage directly in leasing.

There are two types of chartered banks. "Schedule A" banks are our domestic banks, in which non-Canadian ownership is restricted to 25% and individual ownership to 10%. "Schedule B" banks are a new type of bank; in which there are no restrictions on ownership.

Domestic banks The top five of these rank among the top 70 banks in the world in terms of assets. Canada's 12 domestic banks operate national networks of 6,862 branches across the country. This means you can walk into almost any community in Canada and have full-service facilities connecting you to every trading country in the world. What's more, these banks operate 243 branches in over 40 foreign countries. Our system is quite different from the US, where about 14,000 different banks have operations most likely restricted to a single state or community.

Non-Canadian banks These are primarily commercial and tend to serve mid-sized companies. They have been successful since their inception in 1980: their share of the Canadian banking industry has grown from 8% to 16%. Their number stands at 55 (March 1986). With this wealth of foreign representation, it's

quite possible you would be able to deal with a home bank right here in Canada.

Our non-Canadian banks provide the same range of services as our domestic banks: loans, deposits and commercial services.

Trust and Mortgage Companies are deposit-taking institutions, similar to our chartered banks. However, they do not normally provide a full range of commercial banking services. They generally invest funds in residential and shorter-term mortgages in a wide variety of commercial and revenue-producing properties (similar to savings and loan institutions in the United States).

Insurance Companies Although their primary role is risk underwriting, insurance companies must find ways to deploy premium income. One option is to provide financial services to business. Those needing financing for over five or ten year terms can use these resources. Real estate transactions, for example, might require terms of up to 40 years. Under these circumstances, insurance companies would be very competitive.

Securities Firms or investment dealers: join those with capital with those in need of it. This matching process can be accomplished in either of two ways. First, the dealer might underwrite new public issues of corporate or government securities, or offer new issues to the public on a "best effort" or agency basis. The second way is to place corporate securities with private individuals or corporations. Securities legislation

Major Canadian banks

Assets: September, 1985 Cdn\$billions

| Rank | Bank | |
|------|---------------------------|-------|
| 1 | Royal Bank | 95.52 |
| 2 | Bank of Montreal | 83.35 |
| 3 | Imperial Bank of Commerce | 76.44 |
| 4 | Bank of Nova Scotia | 60.80 |
| 5 | Toronto-Dominion Bank | 51.10 |
| 6 | National Bank | 21.79 |

Source: Canadian Bankers Association

for private placement is much less stringent than for public issues. (Note: on a per capita basis, Canadians raise twice as much capital as Americans.)

Stock Exchanges There are five, located in Toronto, Montreal, Vancouver, Calgary and Winnipeg. All are regulated by the province in which they're located, so there are some differences in regulations.

Listing a corporate stock on a Canadian exchange is usually quite simple. Each new listing must meet certain minimum requirements. These are much the same as those of the Securities and Exchange Commission in the US.

With over 80% of the dollar volume in Canada, the Toronto Stock Exchange is the country's largest. From 1982 to mid-1985, it out-performed both the London and New York exchanges.

Our bond market is also well developed. Major corporations regularly raise capital by issuing bonds and debentures. Securities dealers usually handle the underwriting and distribution of these securities.

An "over-the-counter" secondary market ensures liquidity.

Sales Finance Companies provide a wide range of services to both consumer and commercial clients.

Joint venture #4

Waterville Cellular Products Ltd. (Ste. Jerome, Quebec) with Inone MTP Co. Ltd. (Nagoya, Japan): to manufacture instrument panels and interior trim for autos.

Joint venture #5

Champion Road Machinery Group Ltd. (Goderich, Ontario) with Halthai Group (Thailand): a plant in Thailand will assemble motor graders.

Joint venture #6

Canada Packers Inc. (Toronto, Ontario), with Sea Farm (Norway): Cdn\$25 million salmon hatchery in New Brunswick.

Small loans go to consumers for the consolidation of personal debts, purchase of automobiles and household appliances and vacations. On the commercial side, sales finance companies handle vehicle fleet leasing or equipment financing.

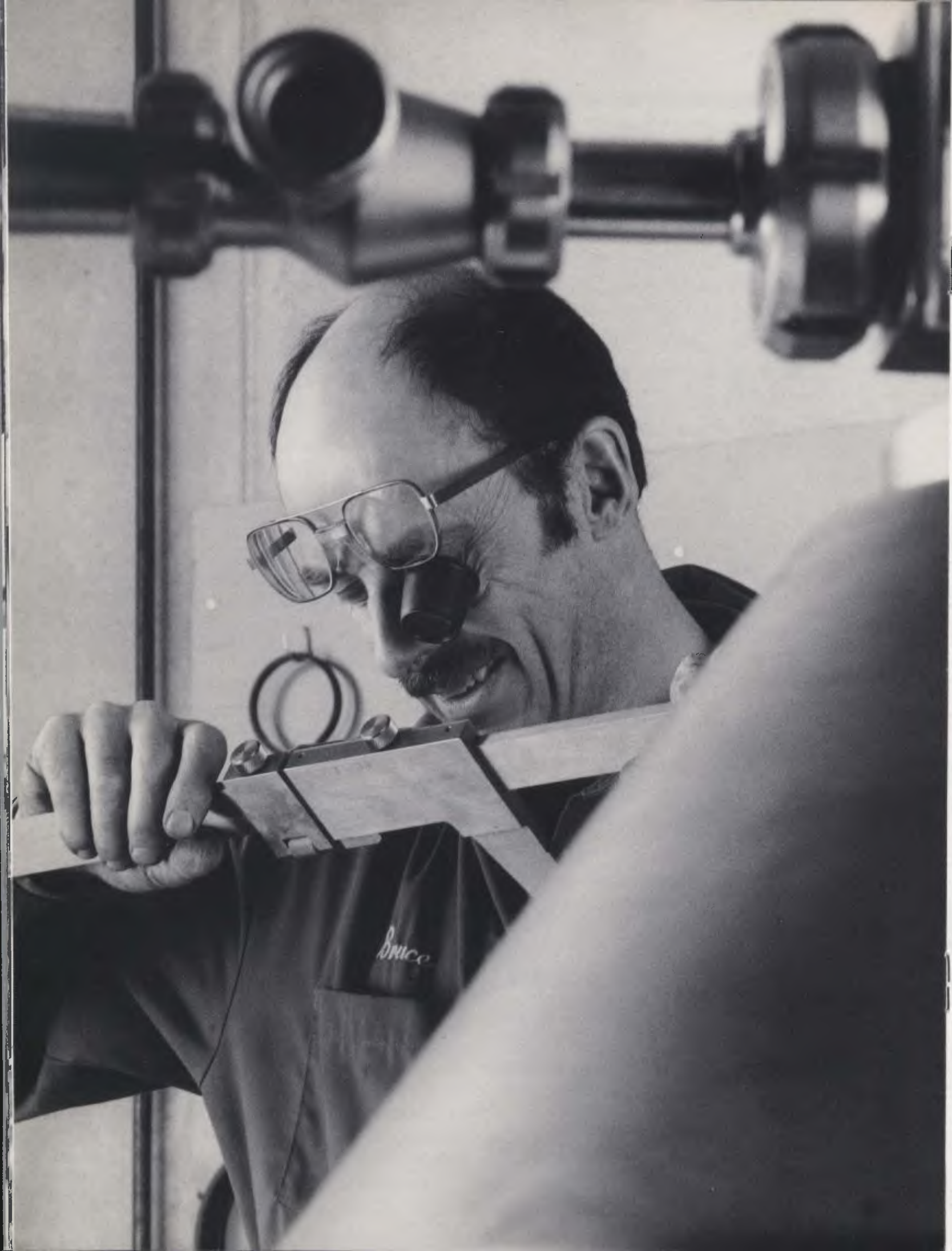
Credit Unions are co-operative associations which primarily accept deposits and offer mortgage and personal loans (similar to savings and loans banks in the US). Many provide loans to small business; chequing facilities, term deposits, travellers' cheques and lines of credit.

Venture Capital Companies generally make investments in the range of Cdn \$500 thousand to Cdn \$5 million. They offer assistance and management advice to those businesses with whom they have invested.

Government Sources The Federal Business Development Bank is a Crown corporation which helps most types of business in Canada, particularly those of small to medium-size. The FBDB offers three principal services: (1) financial services (loans, loan guarantees, and financial planning with special attention to exporting); (2) investment banking; (3) management services such as counselling and training.

Export Development Corporation is a crown corporation whose purpose is to develop Canada's export trade. It does so by offering services in three broad categories: insurance, guarantees and export financing. Any business in Canada can use EDC's services if: (1) there is an export sale; (2) the transaction is economically sound; (3) the buyer is credit-worthy; and (4) the goods or services have a Canadian content of 60%.

Provincial Financial Institutions Each province has its own financial agency which provides financial assistance in the form of a direct loan or loan guarantee to companies in that province. These agencies complement rather than compete with other financial institutions.



Business requirements

By 1987, eighty percent of Canada's exports will enter the United States duty free!

Customs Canada has adopted the international customs valuation system. This means a fair, uniform and neutral system of valuation which conforms to commercial realities. Value for duty is based on the price actually paid or is payable for goods as exported here.

Tariff structure, classification and rates The Canadian Customs Tariff consists of more than 3,500 items. Most refer to specific commodities, some to the significant component of a specific commodity. The Custom Tariff classifies the goods and sets the rate of duty applicable to each item. Classification is influenced by: whether the goods are materials, semi-finished or finished; whether they are of a class or kind manufactured in Canada; whether they are for a particular end use.

Most duties are expressed as a specific percentage or as a specific rate. There are five different rates: British Preferential, United Kingdom and Ireland, Most Favoured Nation, General Preferential and General. If a country qualifies for more than one rate, the lowest is applicable.

As a result of the General Agreement on Tariffs and Trade (Tokyo Round), tariff rates applied to imported goods are being reduced. This shows the current most-favoured-nation rates and planned reductions to the end of the current GATT agreement (December, 1987). By then tariffs on imported manufactured goods will

have declined on an average of approximately 10%. By the same agreement, some 80% of Canadian exports to the US will be duty-free by 1987. An additional 10% will be subject to duties of less than 5%.

When the value for duty cannot be determined on the basis of the transaction value, there are five alternative methods, applied in this sequence; identical goods, similar goods, deductive, computed, residual.

As a general rule, all goods coming into Canada must be declared at the time of entry and have complete documentation.

Duty drawbacks A drawback of duty and sales taxes paid at the time of import is allowed when the goods or material are used in the manufacture of a product to be exported later. Manufacturers with proven export records may get remission of duty at the time of entry.

Imports of specified equipment or materials used by certain Canadian industries may be subject to duty drawbacks. Drawbacks are also granted on obsolete or surplus goods not consumed here.

Labelling Food product labels must show the common name, net quantity and name and address of the manufacturer or Canadian distributor. A list of ingredients appears on most pre-packaged food products. Although not prescribed, other information is included.

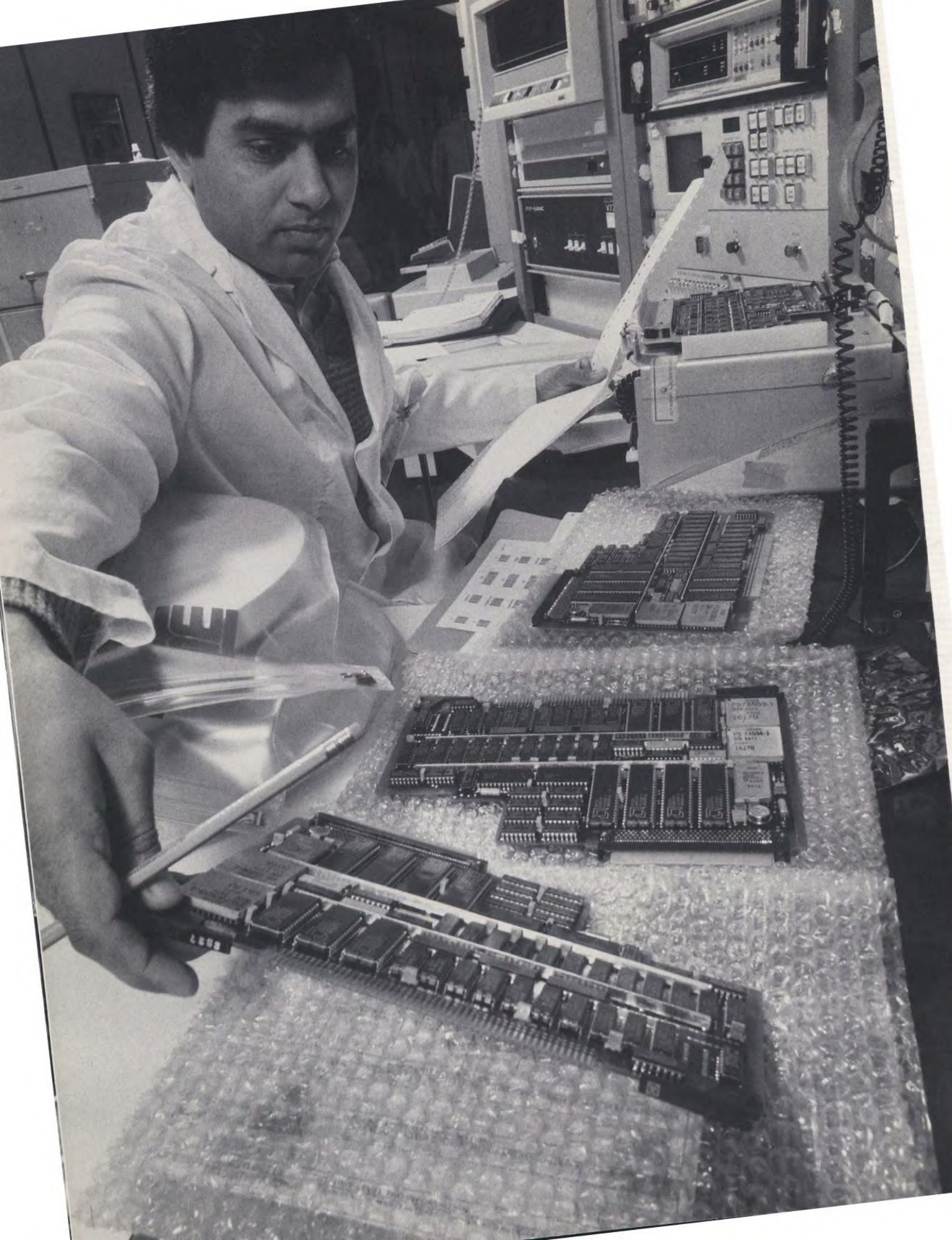
Non-food product labels must provide: identity of the product, usually stated in terms of its common or generic name or its functions; net quantity of the product in metric units; name and location of the manufacturer or distributor.

World product mandate #3

Westinghouse Canada (5,200 employees) Develops and manufactures industrial gas turbines.

1984 revenues: Cdn\$578 million; profit: Cdn\$16 million.

Exports: Cdn\$144.6 million (an increase of 48%)



Labels for garments and household furnishing fabrics must provide:

fibre content by generic name, with the percentage by weight in English and French; dealer by whom or for whom the article is manufactured or by whom the article was imported and labelled;

country of origin, if the article or any part of it is imported.

General requirements False or misleading labels of food and non-food products are prohibited. Claims must be accurate.

French and English labelling is mandatory on prepackaged goods. Goods distributed only in Quebec must have a French-only label or be accompanied by a French version.

There are 60 categories of goods which must have the country of origin of the goods clearly marked prior to their entry.

Packaging and insurance If packaging and insurance charges are paid by the exporter and passed on to the importer, they must be shown as a separate item from the selling price of the goods. Packaging charges are included in the value for duty; insurance charges are not.

Standards and codes The Standards Council of Canada is responsible for co-ordinating standards in the construction, manufacture, quality, performance and safety of all structures and products.

Five organizations prepare standards under the Standards Council: the Canadian General Standards Board, the Canadian Standards Association, the Canadian Gas Association, the Underwriters'

World product mandate #4

Canadian General Electric (12,300 employees) Manufactures large hydraulic turbines and waterwheel generators for hydro-electric utilities.

1984 revenues: Cdn\$1417 million; profit: Cdn\$39.8 million.

Exports: Cdn\$154.7 million (increase 7.7%)

Joint venture #7

Lavalin Inc. (Montreal, Québec) with Paques B.V. (Netherlands): building the Biopag Wastewater Treatment System.

Laboratories of Canada and le Bureau de Normalisation du Québec.

These standards are voluntary, although they may become mandatory through government action or through contractual agreement. Relevant international standards are reviewed for possible application.

Certification is a major aspect. This simply means a product meets specifications or minimum performance or safety requirements.

A certification mark means that a product conforms to the technical requirements. Certification marks are affixed to the product and spot checks are made to make certain the product continues to meet the standards. Occasionally, certification is mandatory, usually where safety is paramount. For example, certification of electrical products is covered by provincial legislation, but it's the manufacturer's choice whether or not to have the product certified.

The five certification bodies in the National Standards System are: the Canadian Gas Association (CGA), the Canadian Standards Association (CSA), the Council of Forest Industries (COFI), Underwriters Laboratories of Canada (ULC) and Warnock Hersey Professional Services (WHPS).

The CSA certifies diverse products. These include consumer and commercial products (tools, appliances, office machines); health-care (child-resistant packaging); occupational health and safety (chainsaws, ladders); public safety (bicycles, hockey helmets, eye protectors for racquet sports).

ULC involves life, fire and property hazards. Products such as fire protection equipment (smoke alarms, fire extinguishers), burglar alarms, chimneys, and fireplace inserts are certified by the ULC.

The CGA writes standards for and certifies gas-fueled products: gas barbecues, swimming pool heaters, furnaces and portable camping equipment.

WHPS certifies fire-resistant materials: fire doors, fire door frames and hardware and wall assemblies.

COFI covers a new category: plywood made from soft woods.

A fair balance between management and labour.

Although both federal and provincial governments have power to enact labour laws, the prime responsibility falls with the provinces. Federal labour legislation applies to inter-provincial undertakings, (railways, trucking, telephone and cable systems) and crown corporations.

Minimum wage and working age Minimum wage laws apply in all federal, provincial and territorial jurisdictions. Rates vary from \$3.50 to \$4.25 per hour. There are special rates for some workers: part-time employees, students, young workers and trainees. Overtime rates are paid at 1½ times the regular wage and apply after the basic work week. This is normally 40 hours, but it can go as high as 48 hours a week in some jurisdictions. The minimum working age is also set by jurisdiction. In general, it's 16 years.

Hours of work The five-day, 40-hour work week is the norm. Flexible and/or staggered hours are in effect for almost half of all office workers.

Strict standards govern the work day and work week; maximum hours are set for which regular wages are paid. One rest day must be scheduled every week.

Annual vacations An employer must provide a minimum of two weeks annual vacation a year (taken within a specified period). Vacation pay is generally set at a minimum of 4% of annual earnings.

Statutory holidays Prince Edward Island is the only

province which has no legislative provision for paid statutory holidays. In the other provinces, holidays range from five to 10 in number.

Pensions Both the Canada Pension Plan and the Quebec Pension Plan provide workers and their families with a basic level of income protection on retirement, disability or death. Paid workers between the ages of 18 and 70 have access to either of the two plans regardless of location or occupation.

About 1.8% of the salary is deducted from the employee's pay at source. The employer must match this amount. At 65, the employee is eligible for these benefits, even though he or she may still be working. The employee may opt to defer benefits to age 70 and continue to contribute. But at 70, contributions cease.

Maternity protection With the exception of the Northwest Territories and the Yukon, legislation provides for a period of absence from work for expectant mothers. This varies from 12 to 18 weeks. In most provinces an expectant employee is entitled to maternity leave and job security on her return if she has been continuously employed for at least one year. The Provinces of Nova Scotia, Prince Edward Island, Quebec and Saskatchewan also have legislation dealing with paternity and/or adoption leave.

Human rights, fair employment practices and labour codes A number of laws provide the aggrieved with a choice of initiating court proceedings or making a complaint. Discrimination on the basis of race, religion, colour, creed, sex, age and other factors is against the law.

Joint venture #8

Canadian General Electric (Toronto, Ontario) with Valmet Corp. (Finland): machinery for pulp and paper mills.

Termination In general, employees can be terminated for cause: incompetence or redundancy, for example. The termination may be challenged in court. Severance pay varies with the jurisdiction.

Unemployment Insurance About 95% of workers are protected by unemployment insurance. To be insurable, a worker must be employed by the same employer for at least 15 hours a week and be earning at least \$92 a week. Self-employed workers and those over 65 are ineligible.

Employers deduct the insurance premiums at source. These are sent to the federal government along with the employer's contribution.

The maximum benefit paid is 60% of the average weekly insurable earnings. This is calculated on earnings received in the last 20 weeks of insurable employment. For those with less than 20 weeks of work, the benefit is based on the average of those weeks.

Occupational safety and health All jurisdictions have compensation programs to provide benefits for workers with work-related injuries or disease. Funds are supported by the employer at compulsory rates. These are set by provincial workers' compensation boards.

Joint venture #9

Vencap Equities Alberta Ltd., (Calgary, Alberta) with BioTechnica International Inc., (Cambridge, U.S.A.): to develop disease-resistant canola.

World product mandate #5

IBM Canada (11,725 employees) Produces certain lines of computer display units and printers and multi-year ceramic circuitry.

1984 revenues: Cdn\$3.0 billion (an increase of 20% over 1983)

Exports: Cdn\$884 million (an increase of 46%)

Each province has measures to promote and ensure occupational safety and health. Inspections are carried out at construction sites, plants and other potentially hazardous workplaces.

Fringe benefits Besides paid vacations and holidays, other benefits may be provided by the employer, who sometimes shares the cost with the employee. Examples: insurance plans, supplementary health and dental care plans and salary continuation plans (pensions, sick leave, supplementary medical care and long-term disability). Other benefits usually provided: daily rest periods (coffee breaks), time off for bereavement or other compassionate grounds. Special overtime call-back, stand-by and severance pay are also included.

Collective bargaining and industrial relations In 1985, union membership in Canada stood at 3.7 million, 30% of the labour force. Various labour codes guarantee the right to representation by a trade union, provided the majority of workers in the unit so certify. Bargaining in good faith is a notable feature of the Canadian system. Refusal to do so constitutes unfair labour practice and is subject to prosecution. Collective bargaining is strictly regulated.

The collective agreement must be of at least one year's duration in all jurisdictions. It governs wages, fringe benefits and working conditions and, usually, management rights. The remaining items are open to bargaining.

Unions have the right to strike; employers the right to lock out. Conciliation is mandatory before either can take place. Questions or grievances are settled through arbitration or adjudication.



Like comparing apples and oranges.

By its nature, every investment must have its own special characteristics. These make a definitive, accurate tax picture for your investment virtually impossible to produce in a guideline brochure.

Further, tax impact comparisons of various jurisdictions can be like comparing apples and oranges. For example, US and Canadian taxing powers differ widely. What's more, the type of business can affect the tax picture. As for jurisdictions outside North America, comparisons go from difficult to impossible. For instance, a substantial portion of North America revenue comes from consumption and income taxation. The European Economic Community member states place a heavy reliance on value added taxation, a method not current in North America.

For these reasons, we will provide a few general principles on taxation and the suggestion that you refer to the "Tax and Financial Incentives Update" supplement included in this package.

For helpful references in Canada, simply contact the Canadian embassy, consulate or trade commission nearest you.

General principles The federal government collects corporate and personal income taxes, indirect sales and excise taxes and custom duties. The provincial governments collect income and retail sales taxes and royalties on natural resources. Municipalities collect property and school taxes.

World product mandate #6

Mitsubishi Electronics Canada (465 employees) Has the world product mandate for colour TV picture tubes.

1984 revenues: Cdn\$56 million

Exports: Cdn\$36.4 million (65% of total revenue)

The tax policies of the federal and provincial governments are quite similar. Although companies must file separate tax returns to both jurisdictions, it isn't necessary to develop two tax planning strategies.

All corporations, individuals and trusts are subject to Canadian income tax legislation. Partnerships as such are not subject, but the individual partner is taxed on share of income. These taxes are levied on all sources of income, world wide. The basic tax rate is 46% on taxable income: capital gains, business or investments. A wide variety of deductions reduce both the amount of taxable income and the rate at which it's taxed. Most businesses pay taxes at rates well below the basic rate.

To prevent the inequity of double taxation (and also tax evasion), Canada has entered into a series of international tax treaties.

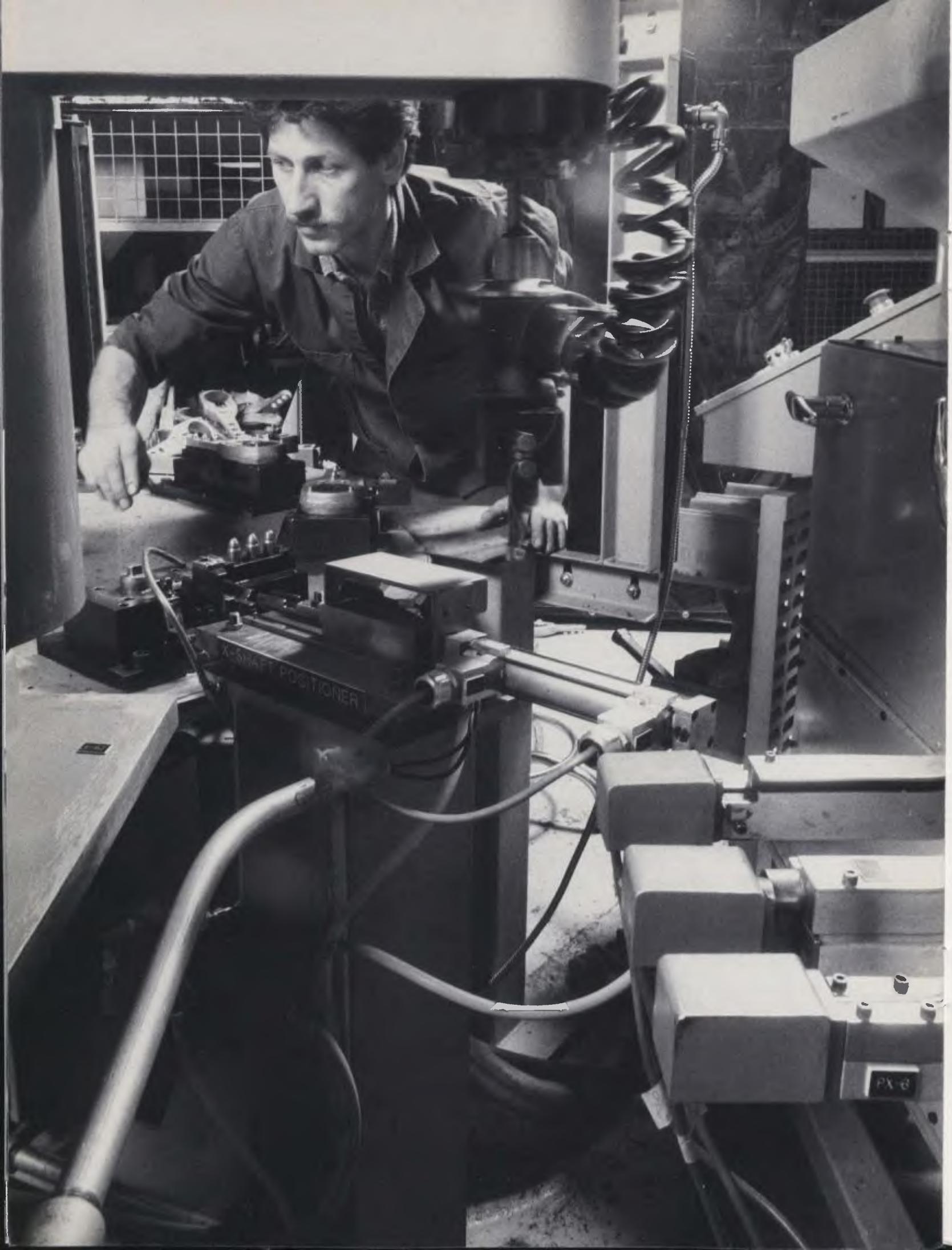
As for personal income taxes, anyone who resides in Canada for a total of 183 days a year is considered a resident for tax purposes. Their taxable income includes world-wide income from all sources, including employment capital gains (net of losses) and property.

A federal sales tax is imposed on most goods made in Canada or imported. The current tax is 11%. Nine of the ten provinces impose a retail sales tax, which varies from 7% to 12%.

Excise taxes are imposed on specific goods either produced here or imported. These vary with the type of goods.

Joint venture #10

I.P Sharp Associates Ltd. (Toronto, Ontario) with McGraw-Hill, (New York, U.S.A.): to develop a computerized trading system for international brokers.



What it's like

The hours, the holidays, the weather, the clothes, the food.

Business hours, coast to coast

Government and businesses 9 to 5 pm weekdays
Banks 10 to 3 pm weekdays

Many banks have extended hours, especially on
Fridays and Saturdays.

Shops 10 to 5:30 pm (with
extended hours
Wednesday through
Saturdays.

Some shops are open on Sunday. This is the
exception rather than the rule.

Federal Holidays 1986 1987 1988

| | 1986 | 1987 | 1988 |
|-----------------|---------|---------|---------|
| New Year's Day | Jan. 1 | Jan. 1 | Jan. 1 |
| Good Friday | Mar. 28 | Apr. 17 | Apr. 11 |
| Easter Monday | Mar. 31 | Apr. 20 | Apr. 14 |
| Victoria Day | May 19 | May 18 | May 23 |
| Canada Day | July 1 | July 1 | July 1 |
| Labour Day | Sept. 1 | Sept. 7 | Sept. 5 |
| Thanksgiving | Oct. 13 | Oct. 12 | Oct. 10 |
| Remembrance Day | Nov. 11 | Nov. 11 | Nov. 11 |
| Christmas Day | Dec. 25 | Dec. 25 | Dec. 25 |
| Boxing Day | Dec. 26 | Dec. 26 | Dec. 26 |

The weather and what to wear

May (warm days, cool
nights) Medium-weight and
summer apparel.

June (warm days and
nights) Summer clothing.

July and August
(the warmest months) Light-weight summer
clothing.

September (warm days,
cool evenings) Light- to medium-
weight clothing.

October (cool) Medium- to heavy-
weight apparel.

November (cool, frosty) Medium- to heavy-
weight apparel. Motorists
should have cars
winterized. Snow tires or
all-season radials are
recommended.

December, January,
February (cold) Winter apparel. Heavy
snowfall in most provinces.

March (moderating) Winter apparel with some
medium-weight wear.

April (milder days, cool
evenings) Medium-weight apparel.

Welcome to our table Canadian cuisine earned first prize at the World Culinary Olympics in Frankfurt (1984).

Canada has a stated and fulfilled policy of preserving ethnic heritage (see chart). So it will come as no surprise that the country's cuisine is complemented by an astonishing variety of ethnic dishes, served in restaurants and homes coast to coast.

West coast specialities: salmon, oysters, fresh halibut, Pacific prawns and Dungeness crab and fresh fruits.

The Prairie Provinces of Alberta, Saskatchewan and Manitoba are known for beef, wild rice, whitefish and arctic char.

Ontario has splendid cheeses (including the world famous cheddar). It also provides sweet corn and tomatoes, lamb, pork, fowl, freshwater fish and fruit.

Quebec has a distinctive French-rooted cuisine, which includes specialties like cipaille (a game pie), tourtiere (a spiced pork pie), ham and pea soup and maple syrup products.

The Atlantic Provinces of Newfoundland, New Brunswick, Prince Edward Island and Nova Scotia are famous for fish and vegetable dishes, salt and freshwater fish, scallops and lobsters. Fiddlehead greens are a great delicacy, as are broiled lobster dinners.

Major ethnic groups by province—1981

(thousands)

| | <u>Canada</u> | <u>Nfld.</u> | <u>P.E.I.</u> | <u>N.S.</u> | <u>N.B.</u> | <u>Que.</u> | <u>Ont.</u> | <u>Man.</u> | <u>Sask.</u> | <u>Alta.</u> | <u>B.C.</u> | <u>Yukon</u> | <u>N.W.T.</u> |
|----------------|---------------|--------------|---------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|--------------|---------------|
| British | 9674 | 520 | 93 | 609 | 369 | 487 | 4488 | 374 | 366 | 963 | 1385 | 10 | 10 |
| French | 6439 | 15 | 15 | 71 | 251 | 5106 | 653 | 74 | 47 | 112 | 92 | 1 | 2 |
| German | 1142 | 2 | 1 | 33 | 6 | 34 | 373 | 108 | 162 | 233 | 188 | 1 | 1 |
| Italian | 748 | . | . | 3 | 1 | 164 | 487 | 10 | 3 | 27 | 53 | . | . |
| Ukranian | 530 | . | . | 2 | 1 | 15 | 134 | 100 | 77 | 137 | 64 | 1 | 1 |
| Native Peoples | 413 | 3 | . | 6 | 5 | 47 | 84 | 60 | 55 | 60 | 65 | 3 | 25 |
| Dutch | 408 | 1 | 1 | 13 | 4 | 8 | 191 | 34 | 17 | 65 | 72 | . | . |
| Chinese | 289 | 1 | . | 2 | 1 | 19 | 119 | 7 | 8 | 37 | 97 | . | . |
| Scandinavian | 283 | 1 | . | 2 | 2 | 4 | 40 | 25 | 43 | 79 | 85 | 1 | 1 |
| Polish | 254 | . | . | 2 | . | 20 | 123 | 28 | 18 | 37 | 24 | . | . |
| Portuguese | 188 | . | . | . | . | 27 | 129 | 8 | 1 | 6 | 16 | . | . |
| Greek | 154 | . | . | 2 | . | 49 | 86 | 2 | 1 | 5 | 8 | . | . |

*Less than 500

Source: Statistics Canada Census of Canada, 1981

Canada:
Welcome to the trading nation



INVESTMENT
CANADA