
Double taxation agreement signed with Romania

Secretary of State for External Affairs Don Jamieson and Ambassador of the Socialist Republic of Romania Barbu Popescu recently signed in Ottawa a Convention for the Avoidance of Double Taxation with respect to taxes on Income and on Capital.

The text of the Convention is patterned on the draft Double Taxation Convention prepared by the Organization for Economic Co-operation and Development.

The Convention, which will enter into force upon the exchange of instruments of ratification, provides that a general rate of withholding tax of 15 per cent will apply to dividends, branch profits, interest and royalties. It also provides for a limited number of exceptions in the case of interest and royalties.

Proposed amendments to Unemployment Act will save millions

A bill to amend the Unemployment Insurance Act was introduced for first reading in the House of Commons recently by Employment and Immigration Minister Bud Cullen.

The amendments would: require some claimants to work longer before qualifying for UI benefits; change minimum coverage under the program; reduce the current rate of benefits; require high-income recipients to repay a portion of the UI benefits received; and provide a new financing formula that would transfer a greater portion of the cost of some benefits to the private sector.

There are six major amendments in the bill:

- People who have had UI claims in the past year would have to work up to six weeks more than the ten to 14 weeks now needed to qualify depending on the UI rate of regional unemployment. This provision would not apply in any area where the UI regional unemployment rate was above 11.5 per cent.
- Those entering the labour force for the first time or after an absence of up to two years would have to work 20 weeks to qualify for UI benefits. If they had worked or been in the labour force for at least 14 weeks in the year before the qualifying period, then they would only have to meet the usual ten to 14 week

entrance requirement.

- Hourly-paid and salaried workers would have to work at least 20 hours in a week for their employment to be insurable. Other workers would have to earn at least 30 per cent of the maximum weekly insurable earnings. The current minimum for all workers is one-fifth of the maximum insurable earnings (\$48 in 1978).
- The rate of UI benefits would be reduced from 66.66 per cent of the average weekly insurable earnings to 60 per cent.
- The fifth major amendment would require people whose net income exceeds 1.5 times the maximum yearly insurable earnings to repay 30 per cent of the UI benefit that makes up the excess.
- A sixth amendment would not affect claimants' entitlement to benefits in any way. A new financing formula would transfer a greater portion of the cost of some benefits to the private sector. This is not expected to result in an increase in employer/employee premiums because of program savings from other proposed amendments.

The proposed amendments will yield savings to the UI program of \$935 million a year when fully implemented in 1980-81.

Food industry moves to metric

Within the next few years, feet will become strictly a means of locomotion or standing, pounds will be a currency and bushels and pecks will exist in song only, because Canada's agriculture and food system is well on its way to converting to metric measurements.

Milk is now sold by the litre in all provinces and most dairy products, such as yoghurt and ice-cream, are also in metric-sized packages at retail outlets. Consumers will start buying cheese and butter in 125- and 25-gram packages in the next year or so.

Egg grading, sales and payments will convert to the metric system on January 1, 1980. Until then eggs will be graded by their weight in ounces. After conversion, eggs will still be sold by the dozen, but grading will be based on metric measurements.

Stockyards at national terminals and community livestock sales will convert at the same time as the meat packing industry. All sales and transactions are expected to be in metric terms after Jan-

uary 1, 1980.

A resolution requiring payments to sheep producers to be based on metric units by the autumn of 1979 is expected to be passed by sheep industry representatives in the next few months.

Retail scales for bulk fruits and vegetables will be introduced in metric units early in 1980.

Related industries

Many agricultural chemicals and pesticides are already being sold in metric units. After January 1, 1981, all of these products must be packaged and sold in metric measurements.

All statutory information pertaining to seeds will be metric effective July 1, 1979. Fertilizers are expected to complete their changeover to metric on July 1, 1980. Conversion to metric for feeds was completed in June 1977.

Record of Performance (ROP) programs have made or will make the move to metric in the next two years. Dairy and wine ROP converted in 1977. The sheep program went metric last year and beef ROP will complete computer conversion during 1979 but will not implement it until beef sales convert on January 1, 1980.

All marketing of wool has been done in metric units for two years and will be on a metric-only basis as of January 1 next year.

Tobacco products are scheduled to convert on June 30, 1979.

Agriculture Canada helps Tanzania

Agriculture Canada is hiring three farmers with experience in dryland wheat production and three diesel mechanics to provide special expertise for three 4,000-hectare wheat research farms in Tanzania, where the soils and precipitation levels (about 550 mm a year) are similar to those on the Canadian prairies.

The farms, in the northern highlands of the east African country, were established in 1971 by the Government of Tanzania with the assistance of the Canadian International Development Agency.

Canadian scientists have contributed to the project with crop varieties and management techniques suited to the area. Wheat yields have risen from an average of 400 kilograms per hectare to 2,000 kilograms per hectare in the past two years.