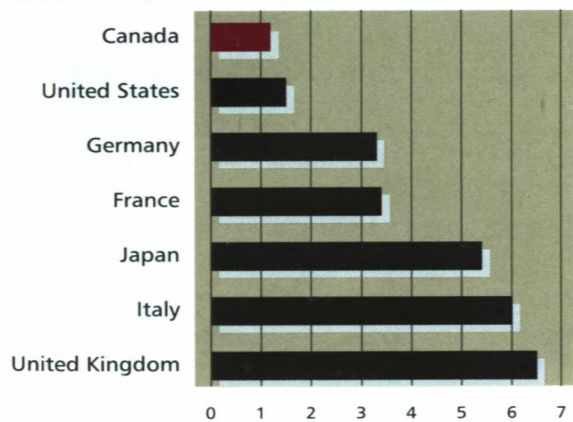


By reducing production costs, Canada's publicly funded health care contributes to the competitiveness of its industries.

Professional and administrative personnel costs in major Canadian cities compare favourably with other countries. While relative wage costs between countries tend to shift with exchange rate movements, Canada's close manufacturing links with the United States ensure that market forces will serve to keep Canadian wage rates competitive.

Lowest Manufacturing Unit Labour Cost Growth (1990 to 1992)



Source: International Monetary Fund, World Economic Outlook, 1992.

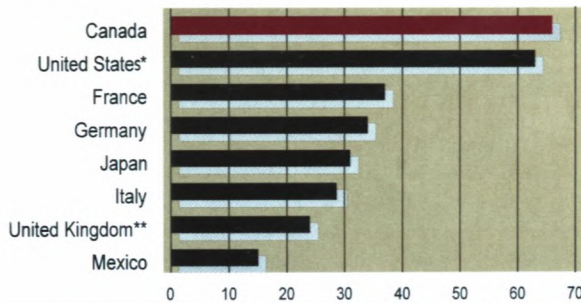
3. AN EDUCATED AND SKILLED WORKFORCE

According to the OECD, Canada is among the top four countries in the share of gross domestic product devoted to public-sector funding of education. In 1990-91, almost one third of young people in the 18-24 age group were enrolled full-time in post-secondary education. This effort in education has resulted in a high level of literacy.

Over the last two years, Canadian labour productivity in manufacturing has recorded the fastest growth among the G-7 countries. In the automotive-assembly industry, for example, Canadian productivity levels are 5% above those in the U.S.

A number of successful job training and cooperative training programs are in place to help achieve a match between the needs of industry and the

A Leader in Advanced Education (1989 post-secondary enrollment of population aged 20 to 24)



Source: UNESCO Statistical Yearbook, 1991.

* 1987 data
** 1988 data

"WE DOMINATE OUR MARKET BECAUSE OF THE TALENT AVAILABLE HERE. ALL OUR HIRING HAS BEEN LOCAL, AND AS A RESULT WE HAVE DONE VERY WELL."

CHARLES ROTHSCHILD, R&D MANAGER, PANACON DIVISION, HEWLETT PACKARD (CANADA)

"WE HAVE AN EXCELLENT SELECTION OF VERY GOOD PEOPLE WHO ARE CREATIVE, HARD WORKING AND ENTHUSIASTIC, AND WE HAVE EXPERIENCED A VERY LOW TURNOVER. WE HAVE A FRACTION OF WHAT THE EMPLOYEE TURNOVER IS IN DALLAS, WHERE WE HAVE ANOTHER VERY LARGE R&D GROUP."

LIONEL HURTUBISE, PRESIDENT, ERICSSON COMMUNICATIONS INC.

"WHEN I SELL CANADA AS A PLACE TO DO BUSINESS, I MAKE THE POINT THAT OUR RESEARCH AND DEVELOPMENT IS THE CHEAPEST IN THE INDUSTRIALIZED WORLD."

RICK SCHWARTZ, DIRECTOR, NEW BUSINESS, HEWLETT PACKARD (CANADA)