

## CANADA-SWEDEN TAX AGREEMENT

Mr. Paul Martin, the Secretary of State for External Affairs announced recently that he and the Ambassador of Sweden, His Excellency Per Lind, had exchanged instruments of ratification for the Supplementary Agreement between Canada and Sweden for the avoidance of double taxation. This brought the Supplementary Agreement, which had been signed in Stockholm on January 21, into force on July 14.

The purpose of the Supplementary Agreement is to amend the existing tax convention between Canada and Sweden by deleting a provision that prevents a non-resident withholding tax of more than 5 per cent from being levied on dividends paid by a controlled subsidiary company in one of the countries to its parent company in the other. The deletion of this provision will leave the general rule that Canada will not impose a non-resident withholding tax in excess of 15 per cent on dividends derived from sources within Canada by residents of Sweden. The same maximum rate will apply to dividends derived from sources within Sweden by residents of Canada.

\*\*\*\*

## CENTENNIAL COINS

A special sterling-silver version of Canada's centennial medallion is being offered for sale by the Royal Canadian Mint, it was announced recently by Mr. Mitchell Sharp, Minister of Finance.

The public may also purchase a Centennial Medallion Coin Set containing the silver medallion with a set of selected uncirculated Canadian coins containing the six denominations from one cent to one dollar. The coins will carry the new centennial designs of Canadian wildlife announced last April 20.

The single silver medallion and the Medallion Coin Set now bring to three the number of commemorative centennial items that the Mint will be offering for sale to the public. The Minister announced on May 6 that a Mint presentation set, containing a \$20 gold coin with the six centennial-design coins of normal denomination, would be distributed.

### DESIGN OF MEDALLION

The centennial medallion will carry the design recently approved by the Cabinet for the medals that will be given to Canadian school-children during the centennial year. The obverse side carries a shield and crown with the word "Canada", and the reverse depicts the maple-leaf centennial symbol surrounded by a bilingual representation of the word "Confederation" and the dates 1867 and 1967.

The sterling medallion will be approximately 1½ inch in diameter, will be packaged in a plastic case and will sell for \$3 in Canadian funds.

The Centennial Medallion Coin Set will be packaged in a red pigskin-leather case with the Canadian shield embossed in silver on the cover. The price is \$12 (Canadian). Distribution of these sets involves

not only costs of packaging and shipping but extra costs incurred for special production and handling to ensure a high quality of medallion and coin.

## EXPORT RESTRICTIONS

Orders in any amount and from any address in Canada or other countries will be accepted for either the silver medallion singly or for the Medallion Coin Set. As announced on May 6, the Mint will not accept orders from persons in the U.S. or Britain for the Gold Coin Presentation Set because of restrictions in the laws of those countries prohibiting the importation of gold coins of this nature.

\*\*\*\*

## RCAF NATO UNITS TO GERMANY

Prime Minister Pearson announced recently that units of the 1st Canadian Air Division stationed in France would be transferred to the two existing Canadian air-bases at Zweibrücken and Baden-Soellingen in Germany. The move is taken as a result of the French Government's notes to the Canadian Government dated March 10 and 29.

The decision to relocate these units in one of NATO's other European member countries reflects the importance the Canadian Government, in common with other members of the alliance, continues to attach to its participation in NATO's integrated defence structure. Canada's allies and the NATO military authorities have been informed of the Canadian Government's decision.

Canada maintains at present a total of eight squadrons in France and Germany — six squadrons of CF-104 strike aircraft at the two bases in Germany, and two squadrons of CF-104 reconnaissance aircraft at Marville, France. The base at Marville is also used as the main European terminal for Canadian forces air-transport operations.

### REDUCTION IN NUMBER OF CF-104s

Consolidation on the two bases in Germany will mean stationing a larger number of CF-104 aircraft there, regrouped into six augmented squadrons, of which two will be assigned to reconnaissance and four to a strike role. There will, however, be some reduction in the total number of CF-104 aircraft operated by the Air Division. It has been recognized for some time that, for technical reasons, such a reduction will be necessary by 1967.

Canadian headquarters of the Air Division at Metz, France, will be streamlined when transferred to one of the two bases in Germany. Additional facilities will be constructed at Zweibrücken and Baden-Soellingen if necessary, to accommodate the operational units and personnel transferred from France.

The Department of National Defence will seek the necessary terminal facilities for the Canadian forces air-transport operations at a civil air-field in Germany, or possibly at a military air-field occupied