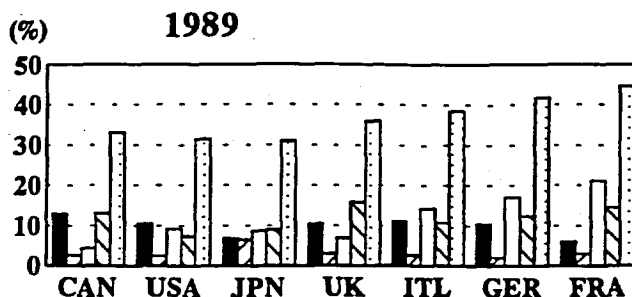


**TABLE 8**  
**INTERNATIONAL COMPARISON OF TAX BURDEN**  
**AS A PROPORTION OF GROSS NATIONAL PRODUCT**



<b>PERSONAL</b>	12.9	10.5	6.9	10.4	11.1	10.4	6.1
<b>CORPORATE</b>	2.6	2.5	6.5	2.9	2.6	2	3
<b>SOCIAL SECURITY</b>	4.3	9.2	8.6	6.8	14.2	17	21.1
<b>INDIRECT</b>	13	7.3	8.9	15.8	10.7	12.3	14.4
<b>TOTAL TAX</b>	33	31.4	30.9	36	38.5	41.7	44.6

■ PERSONAL	▨ CORPORATE	□ SOCIAL SECURITY
▧ INDIRECT	▤ TOTAL TAX	

SOURCE: Department of Finance, *Quarterly Economic Review* June 1990

allowance depreciation rates, interest deductibility, etc.) where we might be out-of-step internationally, especially if it can be determined that such differences do influence investment location decisions.

Trade policy also has a major role to play. Domestic changes since 1985 have streamlined the foreign investment review process and removed restrictions in areas such as the oil and gas sector. International agreements contribute to a good investment climate by ensuring that Canada is part of the process of liberalizing barriers in export markets, while establishing clearer and more precise trade rules on issues as diverse as rules of origin and intellectual property rights.

Trade agreements have also formalized and extended broad non-discriminatory investment obligations in order to increase investor security. The FTA, the MTN and the NAFTA all build on domestic practice to ensure that Canada is perceived as an excellent site in which to invest. In this regard, the FTA and NAFTA exempt from review by Investment Canada all acquisitions of Canadian businesses by firms based in North America if the value of the acquisition is under a certain threshold (an indexed C\$150 million will be the standard). The extension of this threshold benefit to