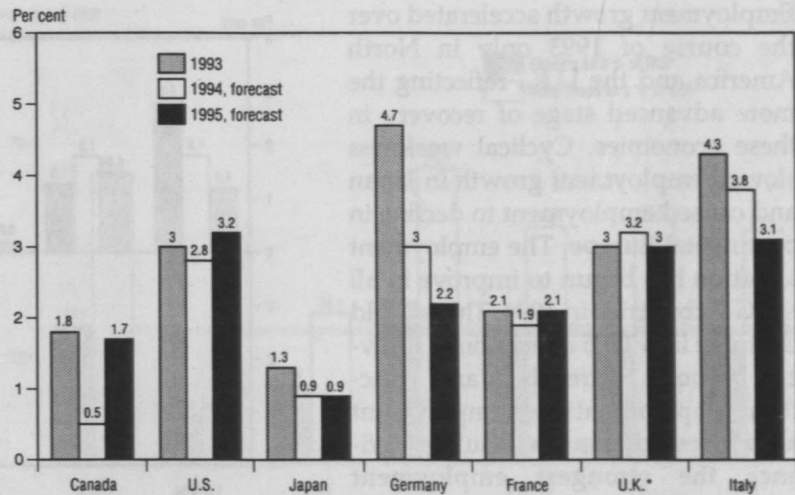


CHART 3

CONSUMER PRICE INFLATION, 1993 - 1995

Canadian inflation remained low in 1993, but Japan had the lowest rate in the G-7. In 1994, inflation continues to moderate in the European countries, as well as in Canada and Japan, as significant spare capacity persists. In the U.S., the 1993 decline in oil prices and a strong cost performance are helping to moderate inflation in an economy close to capacity production. In 1995, inflation should remain moderate throughout the G-7. Japan and Canada are expected to remain the two lowest inflation countries in the G-7.



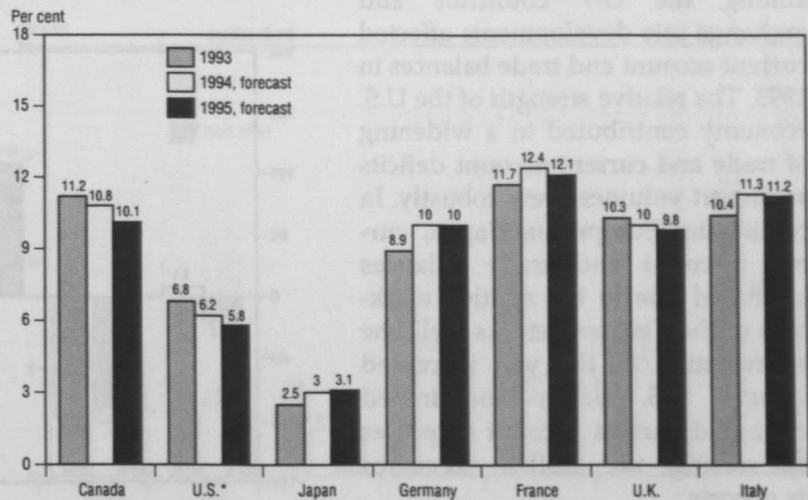
*Retail price inflation excluding mortgage interest rates.
Source: IMF World Economic Outlook, Spring 1994.

CHART 4

UNEMPLOYMENT RATES, 1993 - 1995

Unemployment rates rose during 1993 in the G-7 countries of continental Europe and in Japan. In the U.S., Canada and the U.K., stronger output growth (albeit modest in the latter two), provided scope for a decline in unemployment.

Unemployment rates will begin to drop or stabilize in all G-7 countries except Japan by 1995. In Canada, the U.S. and the U.K., rates should decline through 1995. In continental Europe in 1995, unemployment rates are expected to stabilize or show only a small decline as the projected recovery emerges only gradually. In Japan, the rate is expected to rise further as corporate balance sheet and banking sector problems are resolved only slowly.



*In January 1994, the U.S. adopted a new survey method. To maintain comparability with 1993, projections are based on the old survey method.

Source: IMF World Economic Outlook, Spring 1994.