

FIRST, LOWER INTEREST RATES.

THERE IS NO USE DELUDING OURSELVES THAT CANADA CAN HAVE MADE-IN-CANADA INTEREST RATES OVERNIGHT, UNLESS WE WANT TO CHANGE FROM AN OPEN AND MIXED TO A CLOSED AND FIXED ECONOMY.

AND THAT WOULD MEAN A HUGE DROP IN OUR STANDARD OF LIVING.

GIVEN THIS FACT OF LIFE, IT IS OUR VIEW THAT THE PRUDENT RESPONSE TO OUR CURRENT INTEREST RATE DILEMMA - IN THE SHORT RUN- IS TO KEEP OUR INTEREST RATES AS LOW AS POSSIBLE WITHOUT CAUSING A RUN ON THE DOLLAR, AND TO OFFSET THE HIGH COST OF CREDIT IN KEY SECTORS OF THE ECONOMY BY LOWERING OTHER PRODUCTION COSTS.

IN THE MEDIUM TERM, WE BELIEVE CANADA CAN LOWER INTEREST RATES IF WE IMPLEMENT TRADE, INVESTMENT AND TAX POLICIES WHICH COMBINE TO PUT UPWARD PRESSURE ON OUR DOLLAR.