

COMPARATIVE ECONOMIC CHARTS

CHART 1

REAL GROSS DOMESTIC PRODUCT GROWTH, 1992-98

Real GDP growth in Canada exceeded the G-7 average from 1993 to 1995. Although Canadian growth slowed somewhat in 1996, as in most of the G-7, the pace of growth had already picked up by the second half of the year. Canada's low inflation, low interest rate environment has set the stage for sustained, stronger growth. The International Monetary Fund (IMF) forecasts that Canada will register the strongest growth in the G-7 in 1997 (at 3.5 per cent) and 1998 (at 3.4 per cent). Average growth of 2.6 per cent is expected in the G-7 in 1997 and 1998.

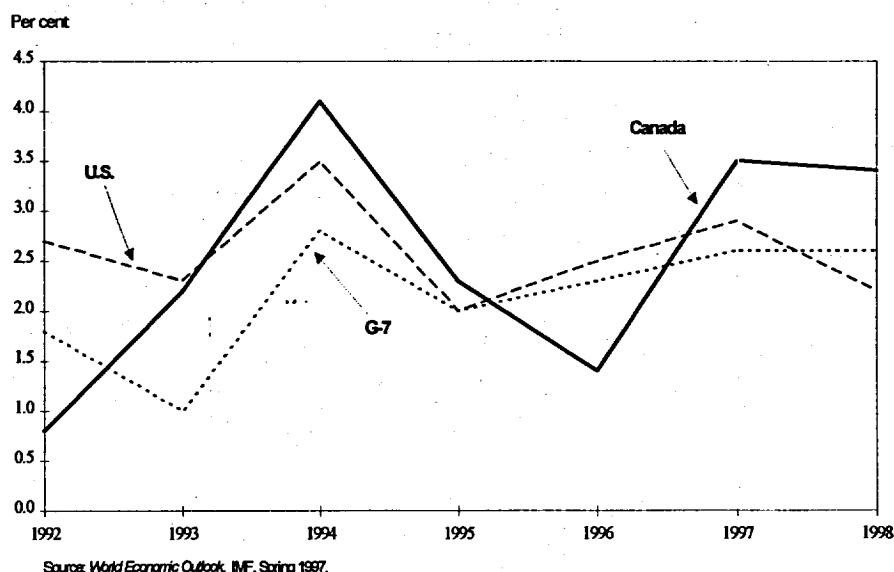


CHART 2

CONSUMER PRICE INFLATION, AVERAGE RATE FOR 1992-96

Canada's inflation performance since 1992 has been excellent, reflecting solid productivity growth and the virtual absence of cost pressures. On average, over 1992 to 1996, Canada had the second lowest inflation rate among the G-7. Stronger growth will not put upward pressure on inflation as the Canadian economy continues to operate below its long-run potential. The IMF forecasts that Canada's inflation rate will remain below 2 per cent in both 1997 and 1998.

