



PRESS RELEASE



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Governor Explains How the Bank of Canada Promotes Canada's Economic and Financial Welfare

CALGARY, Alberta, November 18, 2002 — In a speech to the Calgary Chamber of Commerce, Bank of Canada Governor David Dodge today outlined some of the ways in which the central bank contributes to Canada's economic and financial welfare.

The Governor also talked about the efforts currently underway to restore investor confidence in the wake of recent corporate governance and accounting scandals. The Bank of Canada is hoping to promote public awareness and discussion of Canada's financial system by launching a new semi-annual publication next month, the *Financial System Review*, Mr. Dodge said.

Mr. Dodge reviewed how the Bank's focus on inflation targeting helps to contribute to strong and sustainable economic growth, and how the Bank assesses inflationary pressures in the economy.

"We want strong and sustainable economic and employment growth," noted the Governor. "And the best way we can help to achieve that is to promote confidence among Canadians in the future purchasing power of their currency."

With respect to the economic outlook, the Governor said that the Bank still projects that the Canadian economy will reach its level of full capacity during the second half of 2003. It remains the Bank's view that further removal of monetary stimulus will be necessary before the economy reaches that level. But he reiterated that the timing and pace of this action will continue to depend on the balance of domestic and external developments and on their implications for pressures on capacity and inflation in Canada.

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