



BANK OF CANADA

FOR IMMEDIATE RELEASE
20 November 2003

CONTACT: Pierre Laprise
(613) 782-8782

Governor Says Low and Predictable Inflation Has Led to Better Labour Market Performance

ST. JOHN'S, NEWFOUNDLAND AND LABRADOR—On the 25th anniversary of the end of wage and price controls under the Anti-Inflation Board, Governor David Dodge today explored the effects of low inflation on the performance of Canadian labour markets. The Governor was delivering a lecture at Memorial University, Newfoundland.

Mr. Dodge concluded that the anchoring of inflation expectations at 2 per cent under the current monetary policy framework has reduced uncertainty about future inflation and has thus helped Canadian businesses and workers to make better planning decisions. In turn, this has led to a more efficient wage-bargaining process and a more productive allocation of labour in the economy.