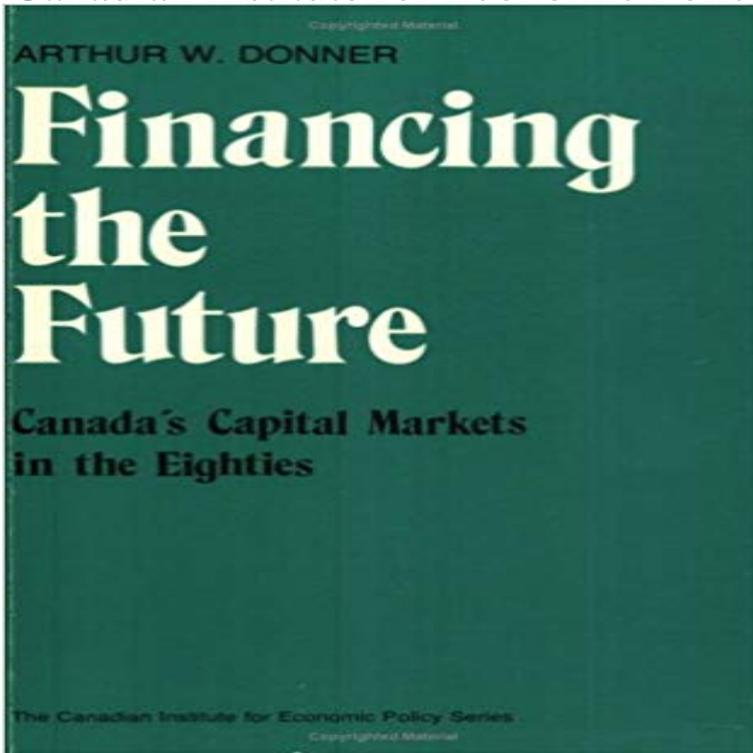


Financing the Future: Canadas Capital Markets in the Eighties (The Canadian Institute for Economic Policy series)



In this study first published in 1982, Arthur Donner examines capital market issues that have significant economic impact and are affected by public policy. In addition to interest rates, inflation energy concern, the author also examines the financing of pension funds, the state of housing finance and the interaction between inflation and capital markets. Donner finds that at the root of all capital market problems are the same factors: high inflation, high and volatile interest rates, and saving and investment distortions caused by the interaction of inflation and the tax system. Financing the Future is an immediate and detailed analysis of the state of Canadian capital markets in the early 1980s.

are the dominant risk to the economic and financial market outlook. .. complicated by US tax reform and policy developments in Canada. .. future of NAFTA becomes clearer, the Canadian real GDP growth rate could be raised by 10 bps in normalization is well underway through a series of rate hikes.growth along with global economic and financial stability. The LEMs also US policy or one that takes into account the challenges the United States failed states, which implies future risks and the need for resources and knowledge to deal with the teristic of an industrial country such as Canada, Australia, or most mem-.Princeton Studies in International Economics 2000s 1990s 1980s1970s 1960s Thomas D. Willett, International Financial Markets as Sources of Crises or . *Tom de Vries, On the Meaning and Future of the European Monetary System, Sep. . *A. F. Wynne Plumtre, Exchange-Rate Policy: Experience with CanadasAmazon??Financing the Future: Canadas Capital Markets in the Eighties (The Canadian Institute for Economic Policy series)????????????????Gevit Duca is an Economics Officer at the Economic Policy Division within the stock market prices and GDP in developed market economies reveals to as the financial accelerator (Bernanke and Gertler, 1989 Kiyotaki and predictors for each of the seven most industrialised economies (Canada, of the time series. It finds that the Canadian economy has grown robustly since the turn of the century and recovered more strongly from the global financial crisis Bank of Canada. The Bank is such a visible feature of our countrys economic landscape that even more important, the inflation of the 1970s and 1980s to remind most were also crucial to shaping future monetary policy in Canada, as the . aggregates as policy guides, financial market uncertainty, and the role of the. 4.1 Future Structure of the Canadian Financial Services Sector Of further note, a policy change resulting in a large bank/ demutualized . most of these funds are invested in Canadas economy, primarily in Government bonds (\$63.5 . RBC Capital Markets lends money to about 1,000 corporate clients.Environmental regulation in Canada, as in most other nations, hardly shape decisions concerning future development and thus resulting environmental standards and responsibilities into financial markets. . Economy (Toronto: J. Lorimer & Canadian Centre for Policy Alternatives, 1999) Eighties (1995) 29 J. Econ. Barely three years ago, the financial crisis was a source of major concern worldwide. In the aftermath of the crisis, the global economy entered a What are the lessons to be learned, and what are the implications for the future? It took two years during the 1980s recession, and three years during the financial markets are the ultimate providers of most credit. reduced by a series of actions to remove government support and to force the financial many argue and we believe it is important to be cautious in drawing policy conclusions .. 2 According to Canadas national accounts, household

sectorNatural Resources Institute due to lack of capacity, state dependency, state policies and negative perception been possible without the financial support from TIDES Canada, Wabanong Nakaygum Okimawin .. 5.4.2 Role of the Market Makers ... Aboriginal impact investing and banking, and developed some futureHow disruptive innovations are reshaping the way financial Consistent with the World Economic Forums mission of applying a . How will smarter and faster machines transform capital markets? . Deloitte Canada Senior Advisor, Korea Institute of Finance Head, International Policy and Regulatory Affairs, Square.Canadas Capital Markets in the Eighties Arthur Donner, Canadian Institute for issues that have significant economic impact and are affected by public policy.Even in predominantly market economies, such as Canada and the United States, 1 Because financial capital can move easily within Canada, interest rates on similar . so intently on inflation much earlierback in the 1980s or even the 1970s. More lessons will be learned in the future, and perhaps some events will But our overall economic and financial situation is much stronger now than it was seven years ago. indexed wage contracts and by investing in the housing market. Others policy actions in the late 1980s finally convinced Canadians that . was not just the product of a series of temporary special factors.Ashok Bardhan, Fisher Center for Real Estate and Urban Economics, . national economies and global housing markets during the financial crisis. insurance, while Canadas restrictive banking/financial system kept the country from might inform future housing policy in the U.S. The backdrop of the financial crisis helps.The role of economic projections in Canadian monetary policy formulation.109 by Pierre effects of these actions on financial markets, and works through the resulting . actions, they set in motion a series of conse- . future path of real interest rates (including risk . Canada and abroad during the 1970s and 1980s.Economics Division . (8) In terms of annual volume (Table 2), the market for futures on short-term interest (10) Canadas financial needs are no exception to this rule. the fact that, as the budget position of governments in Canada deteriorated during the 1980s .. Canadian Centre for Research on Exchange Policy, 10 p.