



Caldwell Securities Ltd.
Investment Management & Brokerage

November 9, 1999

The Rt. Honourable Jean Chrétien
Prime Minister of Canada
and the Government of Canada
Langevin Block, 80 Wellington Street
Ottawa, Ontario K1A 0A2

Dear Ladies and Gentlemen,

Please consider this an "open letter".

For the second time in less than a year and a half, the Government of Canada has been forced by real world events to cobble together ad hoc policies on matters of significant national importance. I speak of the airline industry and the banking sector.

In both of these instances, policies appear to have been developed on the basis of political expediency rather than the realities of national interest and international competitiveness.

It has become increasingly clear that the government also lacks coherent policies and actions in many other sectors, whether they be defence, poverty, health care, technology, innovation, capital markets, tax reduction and more.

As a result, Canadians are falling significantly behind much of the world in terms of wealth creation, as can be attested to by anyone who travels (on their own funds) beyond our borders. Our stagnant growth of real Private Disposable Income over the past fifteen years and deteriorating currency substantiate this concern.

As Ottawa is apparently having difficulty developing realistic policies for Canadians to prosper in a global economy, the following basic recommendations should be seriously considered now:

1. Reduce the onerous tax burden on all Canadians. Initiate meaningful tax cuts for both individuals and corporations. The benefits in terms of job creation and economic growth can be easily documented. Remember that the best poverty fighter is a healthy job market.
2. Allow Canadians to invest a greater proportion or all of their Registered Retirement Savings Plans and other pension assets outside of Canada. Canadians should not have their retirement well-being imprisoned in an environment which is deteriorating economically relative to others and has unique ongoing political risk factors.

Canadians deserve the economic freedom to choose how to productively spend and invest their own resources.

Yours truly,

Thomas S. Caldwell
President & CEO