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The Empire Club Presents

Growth in the Age of Deleveraging

Chairman: Verity Craig, President, The Empire Club of Canada

Head Table Guests

Don Newman, Chairman, Canada 2020, Senior Strategic Advisor, Bluesky Group, and Director, The Canadian Club of Toronto
Terry Campbell, President, Canadian Bankers Association
Jim Leech, President and CEO, Ontario Teacher's Pension Plan
Jamie Watt, Executive Chairman and Senior Partner, Navigator Ltd. And President, The Canadian Club of Toronto
Colleen Johnston, CFO, TD Bank Financial Group
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Christian Petit-Frere, Grade 12 Student, Greenwoood Secondary School
Bishop Mark McDonald, National Indigenous Anglican Bishop
Hena Prasanna, Manager, Cisco Systems, and 2010 Diverse City Fellow
Philip C. Deck, CEO, Extuple Inc.
Barry Campbell, President, Campbell Strategies; and
Mark Whitmore, Managing Partner, Toronto, Deloitte

Introduction by Verity Craig

Ladies and gentlemen, directors, members and guests, it is my distinct pleasure to introduce you to our very special guest speaker.

Since assuming the leadership of the Bank of Canada on February 1, 2008, Mark Carney has made it a habit of speaking at both the Empire Club and the Canadian Club. On behalf of all of our members and board of directors, I'd like to thank you for your continuing to recognize these two sister clubs as a forum for opinion makers, informed conversation and stimulating debate.

In addition to his duties as governor of the Bank of Canada, Mr. Carney now serves as chairman of the Financial Stability Board, and as a member of the Board of Directors of the Bank for International Settlements. Indeed, Mr. Carney has risen to become among the most respected voices anywhere on financial regulation and monetary policy, and the Canadian closest to the center of efforts to solve the European debt crisis.

Born and raised in Fort Smith, Northwest Territories, he has come far from his roots. Mr. Carney is the son of a high school teacher and has taken education to heart, earning a doctorate in economics from Oxford University. This education, plus 13 years with Goldman Sachs and then Canada's Finance Department, has served him well -and to all our benefit. Today, Mr. Carney has been credited with protecting Canada from the worst effects on the recent international financial crisis and he has earned recognition from the Financial Times and Time magazine has a top figure in the financial world.

If monetary policy was music, Governor Mark Carney would be a rock star. Ladies and gentlemen, please join me in welcoming Mr. Mark Carney.

Mark Carney
Thank you, thank you very much. Verity. You're all about to spend the next 25 minutes learning how far monetary policy is from being music. It's a very, very kind introduction.
Thank you, Jamie Watt for co-hosting. Your grace, Minister Duncan, Premier Harris, ladies and gentlemen. There's a few people I've met, a few people in the audience who haven't been to a speech by central banker. You can tell the veterans: the Blackberries are out, the iPods are being fired up. They know the only interesting part is the Q&A. And it's and for those newcomers who still plan to listen, they may be in for a tough slog.
Verity had mentioned that I had made a habit of speaking to this joint group tends to be in December. And I have to say that that's not always the best time. In my first speech here was in the throes of the ABCP crisis in 2008. My next the following year was on the perils of household debt. Last year, I was compelled to warn against the risks entailed in low for long interest rates. You know, I'm a big advocate, as the bank is, of central bank transparency, but in Toronto of late in December, transparency equals reality and reality bites. So, I'm going to continue with that theme today.

Introduction
These are trying times.
In our largest trading partner, households are undergoing a long process of balance-sheet repair. Partly as a consequence, American demand for Canadian exports is about $30 billion lower than normal.
In Europe, a renewed crisis is underway. An increasing number of countries are being forced to pay unsustainable rates on their borrowings. With a vicious deleveraging process taking hold in its banking sector, the euro area is sinking into recession. Given ties of trade, finance and confidence, the rest of the world is beginning to feel the effects.
Most fundamentally, current events, mark a rupture. Advanced economies have steadily increased leverage for decades. That era is now decisively over. The direction may be clear, but the magnitude and the abruptness of the process is not. It could be long and orderly, or it could be sharp and chaotic. How we manage it will do much to determine our relative prosperity.
This is my subject today, which is how Canada can grow in this environment of global deleveraging.

How We Got Here: The Debt Super Cycle
First, it is important to get a sense of the scale of the challenge. Accumulating the mountain of debt now weighing on the advanced economies has been the work of a generation. Across the G-7 countries, total non-financial debt has doubled since 1980 to 300% of GDP. Global public debt to global GDP is almost 80%, which is equivalent to levels that have historically been associated with widespread sovereign defaults.
The debt super cycle has manifested itself in different ways in different countries. In Japan and Italy, for example, increases in government borrowing have led the way. In the United States and United Kingdom, increases in household debt have been more significant, at least until recently. For the most part, increases in nonfinancial corporate debt have been modest to negative over the past 30 years.
In general, the more that leverage is driven by households and governments rather than companies, the less the productive capacity of the economy expands, and, the less sustainable the overall debt burden ultimately is.
Another general lesson is that excessive private debts usually end up in the public sector one way or another. Private defaults often mean public rescues of banking sectors; recessions fed by deleveraging usually prompt expansionary fiscal policies. This means that the public debt of most advanced

economies can be expected to rise above 90%, which is a threshold historically associated with slower economic growth.

The Cases of Europe in the United States are Instructive

Today, American non-financial debt is at levels last seen in the midst of the Great Depression. At 250% of GDP, that debt burden is equivalent to almost 120,000 for every American.

Several factors drove a massive increase in American household leverage. Demographics have played a role, with the shape of the debt cycle tracking the progression of baby boomers through the work force. The stagnation of middle class real wages (itself the product of technology and globalization) meant households had to borrow if they wanted to maintain consumption growth.

Financial Innovation made it easier to do so. And the ready supply of foreign capital made it cheaper. Most importantly, complacency amongst individuals and institutions, fed by a long period of macroeconomic stability and rising asset prices, made this remorseless borrowing seem sensible.

From an aggregate perspective, the euro area's debt metrics do not look as daunting. It's aggregate public debt burden is lower than that of the US and Japan. The euro area's current account with the rest of the world is roughly balanced, as it has been for some time. But these aggregate measures mask large internal imbalances. As so often with debt, distribution matters.

Europe's problems are partly a product of the initial success of the single currency. After its launch, cross-border lending exploded. Easy money fed booms, which flattered government fiscal positions, and supported bank balance sheets.

Over time, competitiveness eroded. Euro-wide price stability masked large differences in national inflation rates. Unit labour costs in peripheral countries shot up relative to those in the core economies, particularly Germany. The resulting deterioration in competitiveness has made the continuation of past trends unsustainable. Growth models across Europe must now radically change.

It's the Balance of Payments, Stupid!

For years, central bankers have talked of surpluses and deficit countries, of creditors and debtors. We were usually ignored. Indeed, during a boom, the debtor economy usually feels more vibrant and robust than its creditors. In an era of freely flowing capital, some even thought current account deficits didn't matter, particularly if they were the product of private choices rather than public profligacy.

When the leverage cycle turns, the meaning and implications of these labels becomes tangible. Creditors examine more closely how their loans were spent. Foreign financing constraints suddenly bind. And to repay, debtors must quickly restore competitiveness.

Financial globalization has provided an even greater scope for external imbalances to build. And its continuation could permit larger debt burdens to persist for longer than historically was the case. However, experience teaches us that sustained large cross border flows of capital usually lead to liquidity crunches.

The Global Minsky Moment Has Arrived

Debt tolerance has decisively turned. The initially well-founded optimism that launched the decades-long credit boom has given way to a belated pessimism that seeks to reverse it.

Excesses of leverage are dangerous, in part because debt is a particularly inflexible form of financing. Unlike equity, it is unforgiving of miscalculations or shocks. It must be repaid on time and in full. While debt can fuel asset bubbles, it endures long after they have popped. It has to be rolled over, although markets are not always there. It can be spun into webs within the financial sector, to be

unravelled during panics by their thinnest threads. In short, the central relationship between debt and financial stability means that too much of the former can result in abruptly in too little of the latter.
Hard experience has made it clear that financial markets can be inherently subject to cycles of boom and bust, and cannot always be relied upon to get the debt levels right. This is part of the rationale for micro and macro–prudential regulation.
It follows that backsliding on financial reform is not a solution to current problems. The challenge for the crisis economies is the paucity of credit demand, rather than the scarcity of its supply. Relaxing prudential regulations would run the risk of maintaining dangerously high leverage--the situation that got us into this mess in the first place.

The Implications of Deleveraging
As a result of deleveraging, the global economy risks entering a prolonged period of deficient demand. If mishandled, it could lead to debt deflation and disorderly defaults, potentially triggering large transfers of wealth.
History suggests that recessions involving financial crises tend to be deeper, and their recoveries that follow take twice as long. And the current US recovery is proving no exception. Indeed, it's only with justified comparisons to the Great Depression that the success of the US policy response is apparent. Such counterfactuals --it could have been worse-- are of cold comfort to American households. Their net worth has fallen from six and a half times income pre-crisis to about five at present. These losses can only be recovered through a combination of increased savings and, eventually, rising prices for houses and financial assets. Each will clearly take time.
In Europe, a tough combination of necessary fiscal austerity and structural adjustment will mean falling wages, high unemployment and tight credit conditions for firms. Europe is unlikely to return to its pre-crisis level of GDP until a full five years after the start of its last recession.

Managing the Deleveraging Process
Austerity is a necessary condition for rebalancing, but it's seldom sufficient. There really only three options to reduce debt: restructuring, inflation and growth.
Whether we like it or not, debt restructuring may happen. If it's to be done, it's best that it's done quickly. Policymakers should be careful about delaying the inevitable and merely funding the private exit.
Historically, as an alternative to restructuring, financial repression has been used to achieve negative real interest rates and gradual sovereign deleveraging.
Some have suggested that higher inflation may be a way out from the burden of excessive debt.
This is a siren call. Moving opportunistically to higher inflation target would risk unmooring inflation expectations and destroying the hard-won gains of price stability. Similarly, strategies such as nominal GDP level targeting would fail unless they are well understood by the public and the central bank is highly credible.
With no easy way out, the basic challenge for central banks is to help sustain nominal aggregate demand during the period of real adjustment. In the bank's view, that is best accomplished through a flexible inflation-targeting framework, applied symmetrically, to guard against both higher inflation and the possibility of deflation.
The most palatable strategy to reduce debt is to increase growth. In today's reality, the hurdles are significant.
Once leverage is high in one sector or one region, it's very hard to reduce it without at least temporarily increasing leverage elsewhere.

In recent years, large fiscal expansions in the crisis economies have helped to sustain aggregate demand in the face of private deleveraging. However, the window for such Augustinian policy is rapidly closing. Few except the United States, by dint of its reserve currency status, can maintain it for much longer.
In most of Europe today, further stimulus is no longer an option, with the bond markets demanding the contrary.
There are no effective mechanisms that can produce the needed adjustment in the short term. Devaluation is impossible within the single currency area; fiscal transfers and labour mobility are currently insufficient; and structural reforms will take time.
Actions by central banks, the IMF and the EFSF, can only create time for adjustment. They are not substitutes for it.
To repay the creditors in the core, the debtors of the periphery must regain competitiveness. This will not be easy. Most members of the euro area cannot depreciate against their major trading partners since they are also part of the euro.
Large shifts in relative inflation rates between debtor and creditor countries would result in real exchange rate depreciations between euro-area countries. However, it's not clear that the ongoing deflation in the periphery and higher inflation in the core would prove any more tolerable than it did between the UK and the US during the postwar gold standard of the 1920s and 30s.
The route to restoring competitiveness is through fiscal and structural reforms. These real adjustments are the responsibility of citizens, firms and governments within the affected countries, not central banks.
A sustained process of relative wage adjustment will be necessary, implying large declines in living standards for a period in up to 1/3 of the euro area.
We welcome the measures announced last week by European authorities, which go some way to addressing these issues.
With deleveraging economies under pressure, global growth will require global rebalancing. Creditor nations, mainly emerging markets that have benefited from the debt-fuelled demand boom and advanced economies, must now pick up the baton.
This will be hard to accomplish without cooperation. Major advanced economies with deficient demand cannot consolidate their fiscal positions and boost household savings without support from increased foreign demand. Meanwhile, emerging markets, seeing their growth decelerate because of sagging demand in advanced countries, are reluctant to abandon a strategy that has served them so well in the past, and are refusing to let their exchange rates adjust in a material way.
Both sides are now doubling down on losing strategies. As the bank has outlined before, relative to a cooperative solution embodied in the G 20s Action Plan, the foregone output could be enormous: lower world GDP by more than 7 trillion US dollars within five years. Canada has a big stake in avoiding this outcome.

To Summarize Thus Far

- The market cannot be solely relied upon to discipline leverage.
- It's not just the stock of debt that matters, but rather who holds it. Heavy reliance on cross-border flows, particularly when they fund consumption, usually proves unsustainable.
- As a consequence of these errors, advanced economaies are entering a prolonged period of deleveraging. .
- Central bank policy should be guided by a symmetric commitment to the inflation target. Central banks can only bridge adjustments consistent with that policy framework; they can't force the adjustments themselves.

- Rebalancing global growth is the best option to smooth deleveraging, but its prospects seem distant at the moment.

What It Means for Canada

Canada has distinguished itself through this debt super cycle though there are some recent trends that bear watching. Over the past 20 years, our non-financial debt increased less than any other G7 country. In particular, government indebtedness fell sharply, and corporate leverage is currently at a record low. In the run-up to the crisis, Canada's historically large reliance on foreign financing was also reduced to such an extent that our net external indebtedness was virtually eliminated.

Over the same period, Canadian households increased borrowing significantly. Canadians have now collectively run a net financial deficit for more than a decade, in effect, demanding funds from the rest of the economy, rather than providing them, as had been the case since before the Leafs last won the Cup.

Developments since 2008 have reduced our margin of maneuver. In an environment of low interest rates and a well-functioning financial system, household debt has risen another 13 percentage points relative to income. Canadians are now more indebted than the Americans or the British. Our current account has also returned to deficit, meaning that foreign debt has begun to creep back up.

The funding for these current account deficits has been coming largely from foreign purchases of Canadian portfolio securities, particularly bonds. Moreover, much of the proceeds of these capital inflows seem to be largely, on net, going to fund Canadian household expenditures, rather than building the productive capacity in our real economy. If we can take one lesson from the crisis, it's the reminder that channeling cheap and easy capital into unsustainable increases in consumption is at best unwise.

Canada's relative virtue throughout the debt super cycle affords us a privileged position now that the cycle has turned. Unlike many others, we still have a risk-free rate and a well-functioning financial system to support our economy. It's imperative that we maintain these advantages. Fortunately, this means largely doing what we have been doing --individuals and institutions acting responsibly, and policymakers executing against sound fiscal, monetary, and regulatory frameworks.

It can't entirely be business as usual. Our strong position gives us a window of opportunity to make the adjustments needed to prosper in a deleveraging world. But opportunities are only valuable if they're seized.

First and foremost, this means reducing our economy's reliance on debt fueled household expenditures. To this end, since 2008, the federal government has taken a series of prudent and timely measures to tighten mortgage insurance requirements in order to support the long term stability of the Canadian housing market. Canadian banks are also raising capital to comply with new regulations. Canadian authorities are cooperating closely and we will continue to monitor the financial situation of the household sector.

To eliminate the household sector’s net financial deficit would leave a noticeable gap in the economy. Canadian households would need to reduce their net financing needs by about $37 billion per year, in aggregate. To compensate for such a reduction over two years could require an additional three percentage points of export growth. four percentage points of government spending growth, or seven percentage points of investment growth.

Any of these in isolation would be a tall order. Export markets remain challenging, and government cannot be expected to fill the gap on a sustained basis.

But Canadian companies, with their balance sheets in historically rude health, have the means to act -- and the incentives. Canadian firms should recognize four realities; they're not as productive as they could be, they're underexposed to fast growing emerging markets, those in the commodity sector can

expect relatively elevated prices for some time; and they can all benefit from one of the most resilient financial systems in the world. In a world where deleveraging holds back demand in our traditional foreign markets, it's imperative for Canadian companies to invest in improving their productivity and to access fast-growing emerging markets.

This would be good for Canadian companies that would be good for Canada. Indeed, it's the only sustainable option available. A virtuous circle of increased investment and increased productivity would increase the debt carrying capacity of all, through higher wages, greater profits and higher government revenues. This should be our common focus.

The Bank of Canada is doing its part by fulfilling its mandate to keep inflation low, stable and predictable, so that Canadian households and Canadian firms can invest in plan for the future with confidence. It is also assisting the federal government in ensuring that Canada's worldly leading financial system will be there for Canadians in bad times as well as good and in pushing the G20 action plan because it is in Canada's interests.

Conclusion

It makes sense to step back and to consider current challenges through the longer arc of financial history. Today's venue is an appropriate place to do so. A century ago, when the Empire Club and the Canadian Club of Toronto would meet, the first great leveraging of the Canadian economy was well underway. During the three decades before the First World War, Canada ran current account deficits, averaging 7% of GDP. These deficits were largely for investment, and were principally financed by long term debt and foreign direct investment.

On the eve of the Great War, our net foreign liabilities reached 140% of GDP, but our productive capacity built over the decades helped to pay them off over time. Our obligations would again swell in the Great Depression. But in the ensuing boom, we were again able to shrink our net liabilities.

When we found ourselves in fiscal trouble in the 1990s, Canadians made tough decisions, so that when Lehman fell, Canada was in the best physical shape in the G7.

We must be careful, however, not to take too much comfort from these experiences. Past is not always prologue. In the past demographics and productivity trends were more favorable than they are today. In the past, we'd deleveraged during times of strong global growth. In the past, our exchange rate acted as a valuable shock absorber, helping to smooth the rebuilding of competitiveness that can only sustainably be attained through productivity growth.

Today, our demographics have turned, our productivity growth has slowed, and the world is undergoing a competitive deleveraging.

In response, we could appear to prosper for a while by consuming beyond our means, and the market may let us do so for longer than we should. But if we yield to this temptation, eventually we too will face painful adjustments.

It's better to rebalance from a position of strength to build the competitiveness and prosperity worthy of our nation. Thank you very much. You can put your BlackBerry's down and I'll take questions. Thank you very much.

Questions & Answers

Q from Mark Faircloth, VP of wholesale banking at TD securities: Governor, could you tell me if central bankers can actually effectively manage inflation when they're involved in fiscal policy from time to time?

MC: Well, I think obviously, the key is that they're not involved in fiscal policy from time to time. And the arrangements that have been put in place in in those countries where there have been unconventional policies, the best arrangements, let's put it that way, that have been put in place in those countries where central banks have made large scale asset purchases.
For example, in the case of the Bank of England, it is very, there's a very explicit fiscal decision that is made through an exchange of letters between the Chancellor of the Exchequer and the governor of the Bank of England, that sets the parameters for the activity, the decisions on the scale of the deficit, the ultimate exposure to the budget, in the short term fluctuations in the securities that are purchased, or in the case of credit easing, which the Bank of England is also done, are explicitly on the are explicitly sanctioned by the by the fiscal authority as is appropriate. And then the actual operational decisions of the timing, the order of magnitude within that framework is done by the Bank of England.
So that separation is essential. That's, I guess, the first point and it's easily done. I think the best way in any of these situations to manage to discharge the central bank's responsibilities is to focus on its price stability mandate. And in some economies, where they're under severe deleveraging, they may run out of conventional tools, they may have to use unconventional tools; but the use of those unconventional tools, if it has a fiscal costs, should be agreed with the fiscal authority, because then ultimately, from an accountability perspective, the use of deployment, the size, the timing, the retirement should all be governed by the price stability mandate. And that way, there's no confusion about what the objective is. And that's one of the reasons why the central bank has a role, but it is not the solution.

Q from Amanda Lange, National Business Correspondent for the CBC: The challenge you present to Canadian businesses is genuine, they've got cash on hand, we need to see them invest, we need to see them diversify. You note that as governor of the Bank of Canada, you've done everything you can; maybe that your other role is the more valuable one to getting businesses feeling confident, and that's the head of the FSB. And so I would ask you, if you as you survey the world, is there a single thing? If you could do one thing to make the globe safer for businesses to restore their confidence? What would be the regulation or the change that you would put in place today?

MC: I can do one thing. Amanda, I would implement in the entirety of the last FSB press release, because it's all there. Now, what's necessary? What are the core point here is is not to confuse not that you're doing it but is not to confuse what's happening because of these broader macroeconomic forces with what's necessary to build a resilient financial system.
There are people who will make an argument that now is not the time to build capital and banks that have no capital. Well, I mean, this is Porsche so absolutely full. It might not be the opportune time for a shareholder in a specific institution, to have new shareholders joining them along alongside but it's absolutely necessary to have instant tuitions adequately capitalized. And so any sense in my opinion and the opinion of the FSB more broadly, our backsliding on implementing the Basel three capital reforms. The timetable for that is misplaced.
This is not the issue, the issue is in some jurisdictions in absence of capital, so business can lead what is not a reform, but what's necessary in some of these environments is to ensure that there is adequate liquidity for the institution so that during this period of turbulence in Europe, for example, that there was not the prospect of a sudden stop on liquidity. And the ECB took some incredibly important measures last week, by expanding the collateral, both the size of the collateral and the term of their collateralized lending, which provide further assurance.
If I can bring it back to Canada; what we have in Canada is two things on both those fronts. One is OSS fees, looking to Canadian banks to meet the toughest definition of Basel three, not by 2019, not on the

simple timeframe, but by 2030. It's a much higher standard than most other jurisdictions. So it means for Canadian business, you started with well capitalized banks, and they will be even better capitalized by then. And then secondly, the liquidity positions of Canadian institutions have dramatically improved from a strong starting point in 2008, to now. So again, the combination of those two is why is one of the reasons why we can stand here and say, listen to from a business perspective. If you have an investment opportunity, take the investment opportunity, because the system is going to be there.

Q from Peter Mansbridge: Governor, you mentioned earlier in your remarks about the European situation, a lot of people including you have spent most of the last year trying to ring fence Europe, on the debt crisis issue in terms of its impact elsewhere. You seem to be suggesting today that that's not going to be possible. The bond markets today seem to be suggesting contagion once again. Where are you on this? Is it is Europe being successfully ring fenced or not?

MC: A couple of things. Thank you for your question here. You can never fully ring fence. What in effect in the broader sense of the European Union is the largest economy in the world, still the largest economy on a market basis in the world, just like you could never successfully ring fence the US economy's impacts on the rest of the world. So it needs to be in that context there that reality needs to be recognized first. The second thing is which held months ago, held last week, still holds today is that Europe as a whole still retains the means to address its problem. The challenge is deploying those means as effectively and efficiently as possible. We're encouraged by the use of the potential for a more active role of the IMF, that was signaled in last week's decisions of heads, but we have to see the implementation.
But what I was trying to say in the speech was to distinguish between the shorter term adjustment issues which are considerable, and which your question goes to, and the longer term adjustment issues which have to happen in the end. Well, there are fundamental issues of fiscal austerity, budget balance, returning to budget balances, sustainable fiscal positions, etc. Absolutely. Without question, those are issues in the absence of addressing the internal balance of payments in Europe in a sustainable way. There will be renewed challenges. And so that horizon needs to be brought into it and that focus needs to be retained. You can't legislate competitiveness. And so the effort in the speech was to draw attention more to the medium term. And then to point out that that is a dynamic that holds for every economy in the world, and a trend or an issue that we have to watch here as well. Thank you.

Note of Appreciation by Jamie Watt, Executive Chairman and Senior Partner, Navigator Ltd. and President, The Canadian Club of Toronto

Before I thank our guests let me offer a special thanks to Verity Craig and her colleagues at our sister club, the Empire Club of Canada. Lunches like this are an enormous amount of logistical work; work always made easy when our two organizations work together. So, thank you very, very much.
Merci Governor, thank you on behalf of the National Forum for being here today. Let me see if I got your message right. The world is in a big mess. Canada is in a pretty good place. We've got a window to act, the options for stimulus are limited. The people in this room can't sit on their hands. They need to invest and then all will be well thought about.
Your remarks today dealing with the situation not only here in Canada, but right around the world demonstrates your uncommon understanding of private sector economics, and how they intersect with an influence the public sector itself. a modest people, we Canadians, but we do know how to cheer. And just as we cheer on and take vicarious pride in our hockey players at the world juniors, our athletes at the

Olympics, so too do we cheer on and take pride in the success you and by extension Canada have had on the world stage. Because of you Governor, we stand a bit taller, and we walk a bit prouder because of your contributions to public life. For that and being with us today. You have our thanks. Thank you very much.

Concluding Remarks by Verity Craig

Thank you, Jamie. As a token of our appreciation on behalf of the Empire Club, I'd like to present you with a copy of Who Said That? It's a selection of quotes and notes from 100 years of speeches at the Empire Club.

I'd like to thank TD Bank financial and Deloitte and Touché for sponsoring our event today. I would also like to thank Campbell Strategies for sponsoring our VIP reception and North Star for sponsoring our student table this afternoon. I'd like to thank the National Post as our print media sponsor. This meeting will be carried in aired on Rogers TV, and we're very grateful for their support.

Thank you for coming. We look forward to seeing you again. This meeting is adjourned.