PRELIMINARY SHORT FORM PROSPECTUS DATED JANUARY 13, 2000

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or any similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America or to U.S. persons. See ''Plan of Distribution''.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada (the permanent information record in Quebec). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Canadian Tire Corporation, Limited, 2180 Yonge Street, Toronto, Ontario M4P 2V8, Telephone (416) 480-3505.

New Issue

CANADIAN TIRE CORPORATION, LIMITED

$100,000,000
9.0% Series A Preferred Securities due March 31, 2049

($25 principal amount per Security)

The 9.0% Series A Preferred Securities due March 31, 2049 (the ''Securities'') are a series of unsecured junior subordinated debentures of Canadian Tire Corporation, Limited (the ''Corporation'') and will bear interest payable in Canadian dollars at an annual rate of 9.0%. Interest on the Securities will accrue from January 28, 2000 and is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on March 31, 2000. The Securities will be subordinated in right of payment to all of the Corporation's present and future senior indebtedness. The Securities do not limit the Corporation's ability to incur additional indebtedness, including indebtedness that ranks senior to, or *pari passu* in right of payment with, the Securities.

The Corporation has the right to defer, at any time and from time to time, subject to certain conditions, payments of interest on the Securities by extending the interest payment period on the Securities for a period of up to 20 consecutive quarterly periods. The Securities are redeemable by the Corporation, in whole or in part, at any time and from time to time on or after January 28, 2005, at a redemption price equal to 100% of the principal amount of the Securities to be redeemed plus accrued and unpaid interest thereon to, but excluding, the date of such redemption. The Corporation may also redeem the Securities, in whole but not in part, at any time upon the occurrence of certain tax events at a redemption price equal to 100% of the principal amount of the Securities plus any accrued and unpaid interest to, but excluding, the date of such redemption.

There is currently no market through which the Securities may be sold. Application has been made to list the Securities on the Toronto Stock Exchange (the ''TSE''), which listing would be subject to the fulfilment of the requirements of such exchange.

See ''Risk Factors'' for a discussion of certain considerations relevant to an investment in the Securities.

	Price to Public(1)	Underwriting Commission(1)(2)	Proceeds to the Corporation(1)(3)
Per Security	$ 25.00	$ 0.7875	$ 24.2125
Total	$100,000,000	$3,150,000	$96,850,000

(1) Plus accrued interest, if any, from January 28, 2000, if settlement occurs after that date. The Securities are being offered on a non-fixed price basis and $25.00 is the initial public offering price per Security. The price to the public may be negotiated with purchasers and may vary as between purchasers and during the period of distribution of the Securities.

(2) The Corporation has agreed to pay the Underwriters a commission of $0.2500 per Security sold to institutions by closing and $0.7875 per Security for all other Securities, which commission will be paid from the general funds of the Corporation. Therefore, to the extent that sales are made to those institutions by closing, the actual amount of the Underwriting Commission will be less than the aggregate amount specified above. In addition, the Underwriters' overall compensation will increase or decrease by the amount by which the aggregate price paid for the Securities by a purchaser exceeds or is less than the aggregate price paid to the Corporation by the Underwriters.

(3) Before deducting expenses of this Offering (as defined herein), estimated at $350,000 in the aggregate.

(4) The Corporation has granted the Underwriters an option (the ''Underwriters' Option''), exercisable at any time prior to closing of this Offering, to purchase up to an additional $25 million principal amount of additional Securities on the same terms set out above. If the Underwriters' Option is exercised in full, the total Price to Public, Underwriting Commission and Proceeds to the Corporation before deducting expenses of this Offering will be $125,000,000, $3,937,500 and $121,062,500, respectively. See ''Plan of Distribution''.

Owning the Securities may subject investors to tax consequences. This prospectus may not describe these tax consequences fully. See ''Certain Canadian Federal Income Tax Considerations''.

The underwriters will offer the Securities for sale pursuant to the terms of an underwriting agreement which is described in the ''Plan of Distribution'' section beginning on page 21 of this prospectus.

The Securities are offered by the several underwriters (collectively, the ''Underwriters''), subject to prior sale, if, as and when issued to and accepted by the Underwriters and subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that the delivery of the Securities will be made through the book entry facilities of The Canadian Depository for Securities Limited (''CDS'') in Toronto, Ontario against payment therefor in immediately available funds on or about January 28, 2000 and no later than February 11, 2000.

TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been filed with the various securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference in and form an integral part of this prospectus:

(a) consolidated comparative financial statements of the Corporation for the fiscal year ended January 2, 1999 together with the report of the auditors thereon, as set out in the 1998 Annual Report of the Corporation;

(b) the Corporation's management information circular dated March 4, 1999 issued in connection with the Corporation's May 6, 1999 annual meeting of shareholders;

(c) annual information form of the Corporation dated March 4, 1999;

(d) unaudited interim consolidated financial statements of the Corporation for the thirteen weeks ended April 3, 1999 as contained in the Report to Shareholders of the Corporation;

(e) unaudited interim consolidated financial statements of the Corporation for the twenty-six weeks ended July 3, 1999 as contained in the Report to Shareholders of the Corporation;

(f) unaudited interim consolidated financial statements of the Corporation for the thirty-nine weeks ended October 2, 1999 as contained in the Report to Shareholders of the Corporation; and

(g) material change report dated January 12, 2000 relating to the impending retirement of Stephen E. Bachand from his position as President and Chief Executive Officer of the Corporation.

All documents of the type referred to in the preceding paragraph and all material change reports (excluding confidential reports) which in each case are filed by the Corporation with a securities commission or any similar regulatory authority in any of the provinces of Canada after the date of this prospectus and prior to the termination of the distribution of Securities pursuant to this prospectus shall be deemed to be incorporated by reference into this prospectus.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained herein or in any other subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes.

The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at 2180 Yonge Street, Toronto, Ontario M4P 2V8, Telephone: (416) 480-3505. These documents are also available through the internet on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com.

Unless the context otherwise requires, all references herein to currency are references to Canadian dollars.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP and Osler, Hoskin & Harcourt LLP, subject to compliance with prudent investment standards and general investment provisions of the following statutes (and where applicable, the regulations thereunder), and in certain cases subject to the satisfaction of additional requirements relating to investment or lending policies or goals and in certain circumstances the filing of such policies and goals, the Securities offered hereby to be issued at closing are not, at the date hereof, precluded as investments under or by the following statutes:

Insurance Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Trust and Loan Companies Act (Canada)
Financial Institutions Act (British Columbia)
Employment Pension Plans Act (Alberta)
Insurance Act (Alberta)
Loan and Trust Corporations Act (Alberta)
The Pension Benefits Act (Manitoba)
The Pension Benefits Act, 1992 (Saskatchewan)
Loan and Trust Corporations Act (Ontario)
Pension Benefits Act (Ontario)
an Act respecting insurance (Quebec) (for an insurer, as defined therein, incorporated under the laws of the Province of Quebec, other than a mutual association, professional corporation or a guarantee fund corporation)
an Act respecting trust companies and savings companies (Quebec) (for a trust company or savings company, as defined therein, incorporated under the laws of Quebec, which invests its own funds)
Supplemental Pension Plans Act (Quebec)

In the opinion of Cassels Brock & Blackwell LLP and Osler, Hoskin & Harcourt LLP, subject to the qualifications and assumptions discussed under the heading ''Certain Canadian Federal Income Tax Considerations'', the Securities offered hereby will also be qualified investments under the *Income Tax Act* (Canada) (the ''Tax Act'') for registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than trusts governed by deferred profit sharing plans for which any of the employers is the Corporation or an entity which does not deal at arm's length with the Corporation) within the meaning of the Tax Act. The Securities will not, on the date of issue, be foreign property for the purposes of the Tax Act and will not be prohibited investments for a registered pension plan.

PROSPECTUS SUMMARY

The following information is a summary only and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information and consolidated financial statements appearing elsewhere or incorporated by reference in this prospectus. Unless otherwise indicated all information contained in this prospectus is based on the assumption that the Underwriters' Option will not be exercised.

The Corporation

The business operations of the Corporation date back to 1922 when J.W. Billes and A.J. Billes founded the enterprise which was transferred to the Corporation on its incorporation in 1927. The Corporation is primarily involved in the marketing of a variety of products and services throughout Canada through three distinct but interrelated businesses: Canadian Tire Retail, Canadian Tire Financial Services and Canadian Tire Petroleum. The Corporation also supports Canadian Tire Associate Dealers through centralized functions including real estate and construction, store systems and logistics and Dealer financing.

Canadian Tire Retail offers automotive parts, accessories and service, sports and leisure goods and home products through a network of over 430 Canadian Tire Associate Stores which are located throughout Canada and are operated by Associate Dealers in locations which in most cases are controlled by the Corporation. Canadian Tire Financial Services includes the business of Canadian Tire Acceptance Limited, which is engaged in the financing of retail credit sales, manages related financial products and services for retail and petroleum customers, markets other value-added products to these customers and provides auto club services. Canadian Tire Petroleum markets gasoline and related products through agents who also offer sundry convenience products to customers. In addition, the Corporation is in the process of launching PartSource, a national specialty automotive retail chain operated by independent franchisees, many of whom will be Associate Dealers of the Corporation, that will focus on the unique needs of serious automotive ''do-it-yourself'' customers and professional mechanics.

The Offering

Issue — $100 million of 9.0% Series A Preferred Securities due March 31, 2049 (the ''Offering''). The Corporation has granted the Underwriters the Underwriters' Option, exercisable at any time prior to the closing of this Offering, to purchase up to an additional $25 million aggregate principal amount of Securities.

Interest Payment Dates — March 31, June 30, September 30 and December 31 of each year, commencing March 31, 2000, subject to the right of the Corporation to defer payment of interest as described herein.

Maturity — March 31, 2049.

Subordination — The Securities are a series of unsecured junior subordinated debentures of the Corporation. As such, the Securities will be subordinate in right of payment to all of the Corporation's current and future outstanding Senior Indebtedness (as defined in ''Description of the Securities – Subordination''). As of October 2, 1999, the Corporation's outstanding Senior Indebtedness did not exceed $2.0 billion, including off-balance sheet operating lease commitments and hedging arrangements. The Securities will also effectively be subordinate to claims of creditors of the Corporation's subsidiaries, except to the extent that the Corporation is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. As of October 2, 1999, the subsidiaries of the Corporation had total liabilities not exceeding $380 million (including accounts payable and accrued liabilities of approximately $105 million and off-balance sheet operating lease commitments and hedging arrangements, but excluding inter-company liabilities). The Securities do not limit the ability of the Corporation or its subsidiaries to incur additional indebtedness, including indebtedness that ranks senior to, or *pari passu* in right of payment with, the Securities. See ''Description of the Securities – Subordination''.

Redemption

The Corporation may redeem the Securities at its option, in whole or in part, at any time and from time to time on or after January 28, 2005, on not less than 30 days' and not more than 60 days' prior written notice, at a price equal to 100% of the principal amount of the Securities to be redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. In addition, the Securities are redeemable by the Corporation at any time at its option, in whole but not in part, upon the occurrence of a Redemption Tax Event (as defined herein), on not less than 30 days' and not more than 60 days' prior written notice, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of redemption. See ''Description of the Securities – Optional Redemption'' and ''Description of the Securities – Redemption for Changes in Canadian Tax Law''.

Interest Deferral

The Corporation has the right to defer, at any time and from time to time, subject to certain conditions, payments of interest on the Securities by extending the interest payment period on the Securities for a period (each such period, an ''Extension Period'') of up to 20 consecutive quarterly periods, provided that no Extension Period may extend beyond the stated maturity of the Securities. Except in certain limited circumstances described herein, the Corporation shall not pay or declare dividends on any of its capital stock (except by way of stock dividend) at any time when any interest on the Securities is either in default or is being deferred as contemplated above. There may be multiple Extension Periods of varying lengths, each of up to 20 consecutive quarterly periods, throughout the term of the Securities, but none of the Extension Periods may extend beyond the stated maturity of the Securities. Interest accrued in any Extension Period must be paid in full prior to the commencement of a new Extension Period. During any Extension Period, interest on the Securities will accrue but will not compound. See ''Description of the Securities – Option to Extend Interest Payment Periods''. For a description of certain income tax consequences which may result upon the deferral of interest, see ''Certain Canadian Federal Income Tax Considerations''.

Share Payment Election

The Corporation may satisfy its obligation to pay any interest or Deferred Interest (as defined herein) by delivering to the Trustee (as defined herein) Class A Non-Voting Shares of the Corporation, preferred shares of the Corporation that are not redeemable at the option of the holder thereof or other non-redeemable equity securities of the Corporation (collectively, ''Shares'') or any combination thereof as the Corporation shall determine in which event holders of the Securities will be entitled to receive a cash payment equal to the interest or Deferred Interest, as the case may be, payable from the proceeds of sale of such Shares by the Trustee. See ''Description of the Securities – Share Payment Election''. Holders of the Securities will not, however, be entitled to receive any Shares in satisfaction of the Corporation's obligation to pay such interest or Deferred Interest, as the case may be.

Sinking Fund

None.

Use of Proceeds

The estimated net cash proceeds of this Offering, after deducting the maximum underwriting commission and the estimated expenses of this Offering, will be $96,500,000 ($120,712,500 if the Underwriters' Option is exercised in full). The net proceeds of this Offering will be added to the general funds of the Corporation and, together with funding from other sources, including internally generated funds, will be used to finance the Corporation's working capital requirements, to repay outstanding bank loans, debentures and notes, to make advances to subsidiaries of the Corporation, and may be used to finance the Corporation's capital expenditure

	program and for other general corporate purposes. All expenses relating to this Offering, including any compensation paid to the Underwriters, will be paid out of the Corporation's general funds. The Corporation may from time to time issue debt instruments and incur additional indebtedness otherwise than through the issue of Securities pursuant to this prospectus.
Governing Law	The Trust Indenture (as defined herein) and the Securities will be governed by the laws of the Province of Ontario.
Credit Ratings	The Securities have been assigned provisional ratings of B++ (High) by CBRS Inc. (''CBRS'') and Pfd-2 y by Dominion Bond Rating Service Limited (''DBRS''). See ''Credit Ratings of the Securities''.
Stock Exchange Listing	There is currently no market through which the Securities may be sold. Application has been made to list the Securities on the TSE, which listing would be subject to the fulfilment of the requirements of such exchange. See ''Plan of Distribution''.
Global Securities	The Securities will be represented by one or more Global Securities (as defined herein) registered in the name of CDS or its nominee. Beneficial interests in the Global Securities representing the Securities will be shown on, and transfers thereof will be effected only through, records maintained by CDS and its direct and indirect participants. Except as described herein, Securities in definitive form will not be issued. See ''Description of the Securities – Global Securities''.
Risk Factors	Prospective investors should carefully consider the following risk factors in addition to the other information included in this prospectus before purchasing any of the Securities offered hereby: (1) risks relating to the retail industry generally; (2) the subordination of the Securities; (3) the ability of the Corporation to defer interest payments and the tax consequences thereof; (4) the ability of the Corporation to redeem the Securities upon the occurrence of a Redemption Tax Event; (5) the likelihood of redemption of the Securities at a time when prevailing interest rates are lower than the rate payable on the Securities; and (6) the absence of a prior market for the Securities. See ''Risk Factors''.

THE CORPORATION

The business operations of the Corporation date back to 1922 when J.W. Billes and A.J. Billes founded the enterprise which was transferred to the Corporation on its incorporation in 1927. The Corporation is primarily involved in the marketing of a variety of products and services throughout Canada through three distinct but interrelated businesses: Canadian Tire Retail, Canadian Tire Financial Services and Canadian Tire Petroleum. The Corporation also supports Canadian Tire Associate Dealers through centralized functions including real estate and construction, store systems and logistics and Dealer financing.

Canadian Tire Retail offers automotive parts, accessories and service, sports and leisure goods and home products through a network of over 430 Canadian Tire Associate Stores which are located throughout Canada and are operated by Associate Dealers in locations which in most cases are controlled by the Corporation. Canadian Tire Financial Services includes the business of Canadian Tire Acceptance Limited, which is engaged in the financing of retail credit sales, manages related financial products and services for retail and petroleum customers, markets other value-added products to these customers and provides auto club services. Canadian Tire Petroleum markets gasoline and related products through agents who also offer sundry convenience products to customers. The Corporation is in the process of launching PartSource, a national automotive specialty retail chain operated by independent franchisees, many of whom will be Associate Dealers of the Corporation, that will focus on the unique needs of serious automotive ''do-it-yourself'' customers and professional automobile mechanics. To date eight PartSource stores have been opened by the Corporation.

The registered office and principal office of business of the Corporation are at 2180 Yonge Street, Toronto, Ontario, M4P 2V8.

RECENT DEVELOPMENTS

The Corporation is in the process of launching PartSource, a national automotive specialty retail chain operated by independent franchisees, many of whom will be Associate Dealers of the Corporation, that will focus on the unique needs of serious automotive ''do-it-yourself'' customers and professional automobile mechanics. To date eight PartSource stores have been opened by the Corporation. Approximately 200 PartSource stores may be opened, representing an investment by the Corporation of between $150 million and $250 million over a four to five year period. A market-by-market assessment process is underway which will determine markets and site locations within Canada. PartSource stores, which are owned or leased by the Corporation, typically have 7,000 square feet of retail selling space with a selection of approximately 20,000 brand name automotive parts and accessories and access to 100,000 products available on a same-day basis. Existing PartSource stores are conveniently located, feature highly competitive pricing and are staffed by expert auto parts professionals and licensed automotive technicians. Convenient shopping hours are offered to reflect customer needs. Product assortment at PartSource stores is tailored to regional variations in ages and types of vehicles. PartSource stores also feature many value-added services such as loan-a-tool programs, brake drum and rotor turning, fuel injector cleaning and ''look-up'' systems to locate make/model-specific repair instructions.

Stephen E. Bachand, President and Chief Executive Officer of the Corporation, has advised the Board of Directors of his intention to retire by the end of the year 2000 or earlier upon the appointment of a new Chief Executive Officer. In the interim, Mr. Bachand will maintain his full duties as President and Chief Executive Officer, continuing to oversee the rollout of the Corporation's current strategic plans and manage its day-to-day operations.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The selected historical consolidated financial information for each of the years in the four year period ended January 2, 1999 has been derived from the Corporation's audited consolidated financial statements. The selected historical consolidated information for the 39 week periods ended October 2, 1999 and October 3, 1998 has been derived from the Corporation's unaudited consolidated financial statements, which, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial information for such periods. This information should be read in conjunction with the Corporation's consolidated financial statements.

	39 weeks ended and as at		Fiscal Years			
	Oct. 2, 1999	Oct. 3, 1998	1998	1997	1996	1995
			(All figures in $ 000's)			
Income Statement Data						
Gross Operating Revenue	3,442,394	3,210,191	4,347,283	4,087,802	3,930,400	3,795,641
Cost of Merchandise Sold and all Expenses except Undernoted	3,093,574	2,911,193	3,936,394	3,734,880	3,602,654	3,469,112
Interest Expense	72,049	54,639	74,457	63,562	59,094	71,727
Depreciation and amortization	71,154	64,108	86,720	79,862	72,738	65,180
Operating Earnings before Income Tax	205,617	180,251	249,712	209,498	195,914	189,622
Net Income	132,958	122,964	166,980	148,571	131,896	121,750
Balance Sheet Data						
Cash & Cash Equivalents	353,516	245,988	308,392	263,422	194,720	209,615
Total Assets	3,716,117	3,086,525	3,165,880	2,875,040	2,604,056	2,674,506
Commercial Paper	361,134	293,182	181,768	362,905	53,484	154,915
Current Portion of Long-term Debt	200,000	—	951	40,000	88,840	35,670
Long-term Debt	1,050,681	815,401	815,000	380,401	420,401	509,241
Total Debt(1)	1,611,815	1,108,583	997,719	783,306	562,725	699,826
Shareholders' Equity	1,323,828	1,219,677	1,261,552	1,298,575	1,299,387	1,239,342
Other Data						
EBITDA(2)	348,820	298,998	410,889	352,922	327,746	326,529
Capital Expenditures	282,542	203,622	303,100	253,500	220,700	195,000

(1) Total debt includes bank indebtedness and long-term debt (including long-term debt due within one year).

(2) EBITDA consists of Earnings Before Interest, Taxes, Depreciation and Amortization.

USE OF PROCEEDS

The estimated net cash proceeds of this Offering, after deducting the maximum underwriting commission and the estimated expenses of this Offering, will be $96,500,000 ($120,712,500 if the Underwriters' Option is exercised). The net proceeds of this Offering will be added to the general funds of the Corporation and together with funding from other sources, including internally generated funds, will be used to finance the Corporation's working capital requirements, to repay outstanding bank loans, debentures and notes, to make advances to subsidiaries of the Corporation, and may be used to finance the Corporation's capital expenditure program or for other general corporate purposes. All expenses relating to this Offering, including any compensation paid to the Underwriters, will be paid out of the Corporation's general funds. The Corporation may from time to time issue debt instruments and incur additional indebtedness otherwise than through the issue of Securities pursuant to this prospectus.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Corporation's consolidated capitalization as at October 2, 1999 and as at October 2, 1999 adjusted to give effect to the issue of the Securities (assuming the Underwriters' Option is not exercised) and assuming the net proceeds from this offering are used to repay commercial paper. This table should be read in conjunction with the Corporation's consolidated comparative financial statements for the year ended January 2, 1999 and the Corporation's consolidated interim financial statements for the 39 weeks ended October 2, 1999 incorporated by reference into this prospectus.

	Oct. 2, 1999 Actual	Oct. 2, 1999 Adjusted
	(All figures in $ 000's)	
Short-term Debt		
Commercial Paper	361,134	264,284
Current Portion of Long-term Debt	200,000	200,000
Long-term Debt[(1)]	1,050,681	1,052,147
Total Debt	1,611,815	1,516,431
Share Capital		
Common Shares	177	177
Class A Non-Voting Shares	318,381	318,381
Securities Offered Hereby[(2)]	—	98,534
Retained Earnings[(3)]	1,428,175	1,425,071
Accumulated Foreign Currency Translation Adjustment	2,881	2,881
Less: Shares Held for Reissue	(425,786)	(425,786)
Total Shareholders' Equity	1,323,828	1,419,258
Total Capitalization	2,935,643	2,935,689

(1) Includes the portion of the Securities classified as long-term debt, calculated as the net present value of the future principal repayment obligation in 49 years.

(2) Net of portion classified as long-term debt.

(3) Net of commissions relating to the portion classified as equity, but excluding other expenses related to this Offering.

DESCRIPTION OF THE SECURITIES

The following description of the Securities describes their principal terms but does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Trust Indenture to be dated as of the date of closing of this Offering (the ''Trust Indenture''), between the Corporation and Montreal Trust Company of Canada (the ''Trustee''). Where reference is made to particular provisions of the Trust Indenture, such provisions (including the definitions of certain terms) are incorporated by reference as a part of such summary, which is qualified in its entirety by such reference. Other capitalized terms used without definition are defined in the Trust Indenture. Copies of the Trust Indenture may be obtained on request from the Secretary of the Corporation at 2180 Yonge Street, Toronto, Ontario M4P 2V8, Telephone (416) 480-3505.

General

The Securities are unsecured junior subordinated debentures of the Corporation under the Trust Indenture and will initially be limited in aggregate principal amount to $100 million ($125 million if the Underwriters' Option is exercised in full). However, the Corporation will be permitted to issue additional Securities (''Additional Securities'') in an unlimited amount under the Trust Indenture after the issuance of the Securities offered hereby. Any Additional Securities issued under the Trust Indenture will be treated, together with the Securities offered hereby, as a single class of securities under the Trust Indenture.

The Securities are not subject to a sinking fund provision. The principal amount of the Securities plus accrued and unpaid interest thereon will become due on March 31, 2049.

The Securities will be issued in fully registered form only in denominations of $25 and integral multiples thereof. The Securities will initially be issued as Global Securities. Beneficial interests in the Global Securities representing the Securities will be shown on, and transfers thereof will be effected only through, records maintained by CDS and its participants. See ‘‘Global Securities’’ below. As described herein, under certain limited circumstances, the Securities may be issued in certificated non-book-entry form in exchange for interests in a Global Security. See ‘‘Discontinuance of Depository’s Services’’ below. Payments on Securities issued as a Global Security will be made to CDS or a successor depository. In the event that the Securities are issued in certificated non-book-entry form: (i) principal and interest will be payable, the transfer of such Securities will be registerable and such Securities will be exchangeable for Securities of such series in other denominations of a like aggregate principal amount at the corporate trust office of the Trustee, 8th Floor, 151 Front Street West, Toronto, Ontario, M5J 2N1 – Attention: Manager, Corporate Trust Department, Telephone: (416) 981-9696, or its designated agent; (ii) payment of principal and interest may be made by cheque mailed to the address of the holder entitled thereto; and (iii) any holder of $5 million or more in aggregate principal amount of Securities may elect to receive payments of principal and interest by wire transfer to an account designated by such holder.

Subordination

The Trust Indenture provides that the Securities are subordinated and junior in right of payment to all present and future Senior Indebtedness of the Corporation. No payment of principal (including redemption payments), premium, if any, or interest on the Securities may be made if: (i) any Senior Indebtedness of the Corporation is not paid when due and any applicable grace period with respect to a payment default on Senior Indebtedness has ended and such default has not been cured or waived or ceased to exist; or (ii) the maturity of any Senior Indebtedness of the Corporation has been accelerated because of a default and either the default has not been rescinded or the indebtedness under which the default has occurred has not been repaid. Upon any distribution of assets of the Corporation to creditors upon any dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due on all Senior Indebtedness of the Corporation must be paid in full before the holders of the Securities are entitled to receive or retain any payment. Notwithstanding the foregoing, the Corporation may, but is not obligated to, at any time use the Share Payment Election to satisfy its obligations to pay interest or Deferred Interest (as defined below) under the Trust Indenture.

The term ‘‘Senior Indebtedness’’ means, with respect to the Corporation: (i) the principal (including redemption payments), premium, if any, interest and other payment obligations in respect of either (a) indebtedness of the Corporation for money borrowed or (b) indebtedness evidenced by securities, debentures, bonds, notes or other similar instruments issued by the Corporation, including any such securities issued under any deed, indenture or other instrument to which the Corporation is a party (including, for the avoidance of doubt, indentures pursuant to which subordinated debentures may be issued); (ii) all capital, operating or other lease obligations of the Corporation; (iii) all obligations of the Corporation issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Corporation, all hedging agreements and agreements of a similar nature thereto and all agreements relating to any such agreements, and all obligations of the Corporation under any title retention agreement but excluding trade payables arising in the ordinary course of business; (iv) all obligations of the Corporation for the reimbursement on any letter of credit, banker’s acceptance, security purchase facility or similar credit transaction; (v) all obligations of the type referred to in clauses (i) through (iv) above of other persons for the payment of which the Corporation is responsible or liable as obligor, guarantor, surety or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) above of other persons secured by any lien on any property or asset of the Corporation (whether or not such obligation is assumed by the Corporation), in each case whether outstanding at the date of the Trust Indenture or thereafter incurred; provided however that Senior Indebtedness shall not include: (a) any such indebtedness or obligation that contains express terms, or is issued under a deed, indenture or other instrument which contains express terms providing that it is subordinate to, or ranks *pari passu* in right of payment with, the Securities and (b) any indebtedness between the Corporation and its affiliates. Such Senior Indebtedness shall continue to be Senior Indebtedness and be entitled to the benefits of the subordination provisions of the Trust Indenture irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness and notwithstanding that no express written subordination agreement may have been entered into between the holders of such Senior Indebtedness and the Trustee or any of the holders of the Securities. As of October 2, 1999, the Corporation’s outstanding Senior Indebtedness did not exceed $2.0 billion, including off-balance sheet operating lease commitments and hedging arrangements.

The Securities will also be effectively subordinate to all indebtedness and other liabilities of the Corporation’s subsidiaries, except to the extent the Corporation is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. As of October 2, 1999, the subsidiaries of the Corporation had total liabilities not exceeding $380 million (including accounts payable and accrued liabilities of approximately $105 million and off-balance sheet operating lease commitments and hedging arrangements, but excluding inter-company liabilities). The Securities do not limit the ability of the Corporation or its subsidiaries to incur additional indebtedness including indebtedness that ranks senior to, or *pari passu* in right of payment with, the Securities.

The Trust Indenture and the Securities do not contain any covenants or other provisions designed to afford holders of the Securities protection in the event of a highly leveraged transaction involving the Corporation or any of its subsidiaries.

Optional Redemption

The Corporation may redeem the Securities at its option, in whole or in part, at any time and from time to time on or after January 28, 2005, on not less than 30 days' and not more than 60 days' prior written notice, at a price equal to 100% of the principal amount of the Securities to be redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. If the Securities are redeemed in part, the Securities to be redeemed will be selected by the Trustee *pro rata* or by any other method deemed fair and appropriate by the Trustee, provided, however, that where a method of partial redemption other than pro rata is to be used such method shall be subject to certain conditions, including the approval of the TSE.

Redemption for Changes in Canadian Tax Law

The Securities may also be redeemed by the Corporation at its option, in whole but not in part, at any time upon the occurrence of a Redemption Tax Event (as defined herein) on not less than 30 days' and not more than 60 days' written notice prior to a redemption date. A notice of redemption may only be given on or after the 91st day following the Redemption Tax Event and during the continuance of a Redemption Tax Event if, within the 90-day period following such Redemption Tax Event, the Corporation is unable to avoid the adverse effect of such Redemption Tax Event by taking some Ministerial Action (as defined in the Trust Indenture). The redemption price for the Securities in such circumstance shall be 100% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of redemption.

A ''Redemption Tax Event'' means that the Corporation shall have delivered to the Trustee an opinion of a nationally recognized independent Canadian tax counsel experienced in such matters to the effect that a ''relevant tax law change'' has occurred. A ''relevant tax law change'' is: (i) any amendment to or change (including any announced prospective change) in the laws (or any regulations thereunder) of Canada or any political subdivision or taxing authority thereof or therein, as applicable; or (ii) any amendment to or change in an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority (including but not limited to the enactment of any legislation and the publication of any judicial decision or regulatory determination), in either case, which change or amendment occurs after the date of this prospectus and as a result of which (assuming that such amendment or change is enacted or is applied to the Corporation) there is more than an insubstantial risk that the Corporation could be denied the deduction of any interest paid or payable in respect of the Securities in computing its income for the purposes of the Tax Act or a provincial or territorial income tax statute in Canada.

Interest

The Securities shall bear interest from January 28, 2000, payable in Canadian dollars, at the rate of 9.0% per annum, payable in arrears in equal quarterly instalments of $0.5625 (except as provided below) on March 31, June 30, September 30 and December 31 of each year, commencing March 31, 2000 (each such date and the redemption date on which interest is payable, if any, being hereinafter referred to as an ''Interest Payment Date'') to the person in whose name such Security is registered at the close of business on the relevant record date, subject to certain exceptions. The payment due on March 31, 2000 is $0.38836 per $25.00 aggregate principal amount of Securities reflecting interest for the period January 28, 2000 to March 31, 2000. The relevant record date for the payment of interest on an Interest Payment Date for such Securities will be the preceding March 15, June 15, September 15 or December 15, as applicable.

The amount of interest payable for any period will be computed on the basis of a 365-day year. In the event that any date on which interest is payable on the Securities is not a Business Day (being a day other than Saturday, Sunday or any other day on which banking institutions in Toronto are permitted or required by applicable law, regulation or executive order to close), then payment of the interest otherwise due on such date will be made on the next succeeding day that is a Business Day (and without an interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, then such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Interest payments will be made in an amount equal to the interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid or duly made available for payment (or from and including the date of issue, if no interest has been paid or duly made available for payment) to but excluding the applicable Interest Payment Date.

Option to Extend Interest Payment Periods

The Corporation shall have the right, at any time and from time to time, to defer payments of interest on the Securities by extending interest payment periods for Extension Periods, each not exceeding 20 consecutive quarterly periods; provided that during any Extension Period: (i) the Corporation shall not declare or pay dividends on, or make a distribution with respect to, or redeem, repurchase or acquire, or make a liquidation payment with respect to, any of its capital stock (other than (a) as a result of an exchange or conversion of any class or series of the Corporation's capital stock or an exercise of any rights to acquire such stock, (b) the purchase of fractional interests in shares of the Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged, (c) dividends or distributions made on the Corporation's capital stock satisfied through the issuance of the Corporation's capital stock or rights to acquire such stock, (d) purchases, distributions or acquisitions of capital stock of the Corporation in connection with the satisfaction by the Corporation of its obligations under any employee benefit or incentive plans, including purchases, distributions or acquisitions under any employee stock purchase plan, provided that such benefit, incentive or stock purchase plan shall have been in existence for at least 180 days prior to the commencement of such Extension Period, or (e) redemptions or repurchases of any rights outstanding under a shareholder rights plan); and (ii) the Corporation shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities or indebtedness for borrowed money issued or incurred by the Corporation that rank *pari passu* with or junior to the Securities in right of payment (excluding, for the avoidance of doubt, trade payables arising in the ordinary course of business, which may be paid, and also excluding Senior Indebtedness, in respect of which such payments, repayments, repurchases and redemptions may be made). Prior to the termination of any Extension Period, the Corporation may further defer payments of interest by extending the Extension Period; provided, however, that no Extension Period may exceed 20 consecutive quarterly periods or extend beyond the stated maturity of the Securities. Upon the termination of any Extension Period and the payment of all Deferred Interest (as defined below), the Corporation may commence a new Extension Period for up to 20 consecutive quarterly periods, subject to the terms described herein. There may be multiple Extension Periods of various lengths, each of up to 20 consecutive quarterly periods, throughout the term of the Securities, but none of the Extension Periods may extend beyond the stated maturity of the Securities. During an Extension Period, interest will continue to accrue at the same rate but will not compound. Each Extension Period shall end on an Interest Payment Date. All interest accrued during an Extension Period (''Deferred Interest'') shall be paid on the Interest Payment Date at the end of such Extension Period and will be paid to the holders in whose names the Securities are registered at the close of business on the record date immediately preceding such Interest Payment Date. No interest payments will be required to be made during an Extension Period except at the end thereof. The Corporation shall give the holders of the Securities notice of its initiation of any Extension Period at least 20 Business Days prior to the earlier of: (i) the commencement of such Extension Period; or (ii) the date upon which the Corporation would otherwise be required to give notice to any applicable self-regulatory organization or to the holders of the Securities of the record date or payment date in respect of an interest payment which is being deferred.

Share Payment Election

The Corporation may elect, from time to time, to satisfy its obligation to pay any interest or Deferred Interest or any part thereof by delivering Class A Non-Voting Shares of the Corporation, preferred shares of the Corporation that are not redeemable at the option of the holder thereof or other non-redeemable equity securities of the Corporation (collectively, ''Shares'') or any combination thereof as the Corporation shall determine to the Trustee in accordance with the Trust Indenture (the ''Share Payment Election''). The Trust Indenture provides that, upon such election, the Trustee shall: (i) accept bids with respect to Shares on behalf of the Corporation, as the Corporation shall direct in its absolute discretion; (ii) accept delivery of Shares from the Corporation required to consummate sales contemplated by bids so accepted (and consummate such sales as the Corporation shall direct in its sole discretion) plus cash in an amount equal to the value of any fractional Share or in an amount elected by the Corporation; (iii) at the direction of the Corporation, invest the proceeds of such sales (together with any cash received from the Corporation at the election of the Corporation or in respect of any fractional Share) in short term Canadian Government Obligations (as defined in the Trust Indenture) specified by the Corporation which mature prior to the applicable Interest Payment Date and use such proceeds to pay the interest or Deferred Interest or the applicable part of such interest or Deferred Interest; and (iv) perform any other action necessarily incidental thereto. Holders of the Securities will not, however, be entitled to receive any Shares in satisfaction of the Corporation's obligation to pay such interest or Deferred Interest, as the case may be.

The Corporation shall make a Share Payment Election by delivering written notice (the ''Share Election Notice'') to the Trustee no later than the earlier of: (i) the date required by applicable law or the rules of any stock exchange on which the Securities are then listed; or (ii) 15 days prior to the applicable Interest Payment Date to which the Share Payment Election relates. The Trustee shall, in accordance with such notice, deliver requests for bids (each a ''Share Bid Request'') to investment banks, brokers or dealers selected by the Corporation. The Share Bid Request shall direct the Trustee to solicit and accept only such bids, and the Share Bid Request shall make the acceptance of any bid conditional on the acceptance of such bids that together shall provide for the delivery and sale of Shares against payment of the Share Election Amount on the date (the ''Share Delivery Date'') that is no earlier than 90 days and no later than one Business Day prior to the applicable Interest Payment Date. The ''Share Election Amount'' means an amount of aggregate proceeds arising from the sale of Shares on the Share Delivery Date equal to the interest or Deferred Interest payable on such Interest Payment Date less any amount elected by the Corporation to be paid in cash and any amount attributable to any fractional Share. The Share Election Notice shall provide for, and all such bids shall be subject to, the right of the Corporation, by delivering written notice to the Trustee at any time prior to the consummation of such delivery and sale on the Share Delivery Date, to withdraw the Share Payment Election (which will have the effect of withdrawing the Share Bid Request), whereupon the Corporation shall, subject to the Corporation's right to defer payments of interest on the Securities, be obligated to pay in cash the interest or Deferred Interest on the date payable under the Trust Indenture.

The Trustee shall inform the Corporation promptly following the receipt of any bid or bids for Shares. The Trustee shall accept such bid or bids as the Corporation, in its absolute discretion, shall direct, provided that the aggregate proceeds of all such sales on the Share Delivery Date must at least equal the Share Election Amount. In connection with any bids so accepted, the Corporation, the Trustee and the applicable bidders shall, not later than the Share Delivery Date, enter into customary purchase agreements (in each case a ''Share Purchase Agreement'') and shall comply with all applicable laws, including the securities laws of Canada, the rules and regulations of any stock exchange on which the Shares are then listed and the laws, rules and regulations of any jurisdiction in which the Shares may be offered for sale. The Corporation shall pay any fees or expenses in connection with the Share Purchase Agreements.

Provided that: (i) all conditions specified in each Share Purchase Agreement to the closing of all sales thereunder have been satisfied, other than the delivery of the Shares to be sold thereunder against payment of the Share Election Amount; and (ii) the purchasers under the Share Purchase Agreements shall be ready, willing and able to perform thereunder, in each case on the Share Delivery Date, the Corporation shall, on the Share Delivery Date, deliver to the Trustee the Shares to be sold on such date, cash in an amount elected by the Corporation and an amount equal to the value of any fractional Share and an officer's certificate to the effect that all conditions precedent to such sales, including those set forth in the Trust Indenture and in each Share Purchase Agreement, have been satisfied. Upon such deliveries, the Trustee shall consummate such sales on such Share Delivery Date by delivery of the Shares to such purchasers against payment to the Trustee in immediately available funds of the purchase price therefor in an aggregate amount equal to the Share Election Amount, whereupon the sole right of a holder of a Security to receive such interest or Deferred Interest will be to receive cash from the Trustee derived from the proceeds of sale of the Shares plus any amount received by the Trustee from the Corporation at the election of the Corporation and in respect of any fractional Share, in full satisfaction of such interest or Deferred Interest and the holder of such Security will have no further recourse to the Corporation in respect of such interest or Deferred Interest.

On the Share Delivery Date, the Trustee shall use the proceeds of sale of the Shares (together with any cash received from the Corporation at the election of the Corporation and in respect of any fractional Share) to purchase, to the extent the Trustee is able to do so, Canadian Government Obligations specified by the Corporation which mature prior to the applicable Interest Payment Date, and which the Trustee is required to hold until maturity (the ''Share Proceeds Investment''), provided however, that to the extent the Trustee is unable for any reason whatsoever to use such sale proceeds to purchase Canadian Government Obligations on such Share Delivery Date, the Trustee shall deposit such proceeds in the Property Account (as defined in the Trust Indenture). The Trustee shall hold the Share Proceeds Investment under its exclusive control and shall hold such investments, but not income earned thereon, in an irrevocable trust for the benefit of the holders of the Securities. One Business Day prior to the applicable Interest Payment Date, the Trustee shall deposit proceeds of the Share Proceeds Investment in the Property Account to bring the balance of the Property Account to the aggregate of the Share Election Amount and the value of any fractional Share and any cash component of such payment provided by the Corporation. On such Interest Payment Date, the Trustee shall apply the funds held in the Property Account to payment of interest or Deferred Interest, as the case may be, to the holders of record of the Securities on the applicable record date and shall remit amounts, if any, in respect of income earned on the Share Proceeds Investment or otherwise in excess of the aggregate of the interest and Deferred Interest to the Corporation.

The Corporation shall indemnify and hold harmless the Trustee and (on an after-tax basis) the holders of Securities, and any person who controls any such holder within the meaning of any applicable securities laws, from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by any such person in connection with defending or investigating any such action or claim) caused by or arising in connection with any Share Payment Election or any withdrawal thereof, except in each case for any losses, claims, damages or liabilities caused by any such person's negligence or wilful misconduct. If the indemnification provided for in this paragraph shall be unavailable to an indemnified person or insufficient in respect of any losses, claims, damages or liabilities referred to herein, then the Corporation shall contribute to the amount paid or payable by such indemnified person as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the Corporation and such indemnified person and any other equitable considerations.

Neither the Corporation's making of the Share Payment Election nor the consummation of sales nor the failure to consummate sales of Shares on the Share Delivery Date will: (i) result in the holders of the Securities not being entitled to receive, in accordance with the foregoing procedures, on the applicable Interest Payment Date cash in an aggregate amount equal to the interest or Deferred Interest payable on such Interest Payment Date; or (ii) entitle such holders to receive (a) cash in an aggregate amount greater than the amount to which such holders are otherwise entitled, or (b) any Shares in satisfaction of the Corporation's obligation to pay such interest or Deferred Interest.

Restriction on Corporate Reorganizations

The Trust Indenture provides that the Corporation may not consolidate or amalgamate with or merge into any other corporation or convey, transfer or lease all or substantially all of its properties and assets to any other Person (a ''Corporate Reorganization''), unless, among other things: (i) the entity formed by such consolidation or amalgamation or into which the Corporation is merged or the Person which shall have acquired or leased such properties or assets shall be a corporation, partnership or trust organized under the laws of Canada or any province or territory thereof or under the laws of the United States, any state thereof or the District of Columbia, and, unless the Corporation is the continuing corporation, such entity shall expressly assume the Corporation's obligation for the due and punctual payment of the principal of and interest on all the Securities and the performance and observance of every covenant of the Trust Indenture on the part of the Corporation to be performed or observed; and (ii) immediately after giving effect to such transaction, no Event of Default (as defined herein) or event that after notice or passage of time or both would be an Event of Default shall have occurred and be continuing.

Events of Default

The Trust Indenture provides that the Trustee may or shall, if so directed by the holders of at least 25% of the aggregate principal amount of the Securities then outstanding, declare the principal of and interest accrued (including, without limitation, Deferred Interest) on all of the Securities to be due and payable to the Trustee immediately upon the happening of certain events of default (the ''Events of Default''), which include the following:

(a) failure for 30 days to pay interest on the Securities in cash or pursuant to the Share Payment Election when due; *provided* that a valid extension of an interest payment period by the Corporation shall not constitute a default in the payment of interest for this purpose;

(b) failure to pay principal on the Securities in cash when due whether at maturity, upon redemption, by declaration or otherwise;

(c) if the Corporation makes default in observing or performing any other covenant or condition contained in the Trust Indenture and on its part to be observed or performed, and if such default continues for a period of 60 days (unless the Trustee, having regard to the subject matter of the neglect or non-observance, shall have agreed to a longer period and in such event, within the period agreed to by the Trustee) after notice in writing has been given by the Trustee to the Corporation specifying such default and requiring the Corporation to put an end to the same, which notice the Trustee may give on its own initiative and shall give when requested to do so by the holders of at least 25% in principal amount of the Securities; and

(d) certain events of bankruptcy, insolvency or reorganization of the Corporation under bankruptcy or insolvency law.

Within 30 days after becoming aware of the occurrence of any Event of Default with respect to any of the Securities, the Trustee must give the holders of the Securities notice of each such Event of Default that has not been cured or waived. Nevertheless, except in the case of an Event of Default arising as a result of default in payment of principal of or interest on the Securities, the Trustee may withhold notice to the holders of the Securities of an Event of Default with respect to such Securities if and so long as it reasonably believes that the withholding of such notice is in the interest of such holders and so informs the Corporation in writing.

The holders of a majority in aggregate principal amount of the outstanding Securities have the separate right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee. The Trustee or the holders of not less than 25% in aggregate principal amount of the outstanding Securities may declare the principal of and the interest on the Securities, including accrued interest, if any, and any other amounts payable under the Trust Indenture to be forthwith due and payable immediately upon an Event of Default, but the holders of a majority in aggregate principal amount of the outstanding Securities may annul such declaration and waive the Event of Default if such Event of Default has been cured and a sum sufficient to pay all matured instalments of interest and principal due with respect to the Securities otherwise than by acceleration has been deposited with the Trustee.

The holders of a majority in aggregate principal amount of the outstanding Securities may, on behalf of the holders of all Securities, waive any past default and its consequences, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured instalments of interest and principal due otherwise than by acceleration has been deposited with the Trustee) or a default in respect of a covenant or provision which cannot be modified or amended without the consent of the holders of all outstanding Securities affected thereby.

The Trust Indenture provides that no holder of the Securities may institute any proceeding with respect to the Indenture unless: (i) such holder shall have previously given to the Trustee written notice of any Event of Default and continuance thereof, (ii) the holders of not less than 25% in aggregate principal amount of the outstanding Securities shall have requested the Trustee to institute such proceeding and shall have offered the Trustee reasonable indemnity in respect thereof, (iii) the Trustee shall not have instituted such proceeding within 60 days of such request; and (iv) the Trustee shall not have received directions inconsistent with such written request by the holders of a majority in aggregate principal amount of the outstanding Securities.

Notwithstanding the foregoing, the holder of any Security will have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Security on the due date thereof (as the same may be deferred in accordance with the provisions of the Indenture) and to institute suit for the enforcement of such payment, and such rights shall not be impaired without the consent of such holder. The Trust Indenture requires the Corporation to furnish to the Trustee annual statements as to the fulfilment by the Corporation of its obligations under the Trust Indenture.

Limitation on Transactions

If: (i) the Corporation shall exercise its right to defer payment of interest as provided in the Trust Indenture and so long as any Extension Period with respect thereto is continuing; or (ii) there shall have occurred and be continuing any Event of Default, then (a) the Corporation shall not declare or pay dividends on, or make a distribution with respect to, or redeem, repurchase or acquire, or make a liquidation payment with respect to, any of its capital stock (other than as provided above under ‘‘Option to Extend Interest Payment Periods’’); and (b) the Corporation shall not make any payment of interest, principal, or premium, if any, on, or repay, repurchase or redeem any debt securities or indebtedness for borrowed money issued or incurred by the Corporation that rank *pari passu* with or junior to the

Securities in right of payment (excluding, for the avoidance of doubt, trade payables arising in the ordinary course of business, which may be paid, and also excluding Senior Indebtedness, in respect of which such payments, repayments, repurchases and redemptions may be made).

Global Securities

CDS will act as securities depository for the Securities. Except as otherwise provided below, the Securities will be issued in ‘‘book-entry only’’ form and beneficial interests therein must be purchased or transferred through participants in CDS’ depository service, which participants include certain securities dealers and brokers, banks and trust companies (the ‘‘Participants’’). The Securities will be issued only as global fully-registered securities (the ‘‘Global Securities’’) to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of a beneficial interest in a Security will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that purchaser’s ownership thereof, and no holder of a beneficial interest in a Security will be shown on the record maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder. The Corporation expects that each purchaser of a beneficial interest in a Security will receive a customer confirmation of purchase from the registered dealer from which such beneficial interest is purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants holding beneficial interests in the Securities.

Neither the Corporation nor the Trustee will have any liability for: (i) the records maintained by CDS relating to beneficial interests in Securities or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given herein with respect to the rules and regulations of CDS or any action to be taken by CDS on its own direction or at the direction of its Participants.

While Securities are outstanding in ‘‘book-entry only’’ form, transfers of ownership or beneficial interests in Securities will be effected only through records maintained by CDS or its nominee for such Securities with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Holders of beneficial interests in Securities who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of their beneficial interests in Securities, may do so only through Participants.

Payment of Interest and Principal

Payments of interest and principal on each Global Security will be made to CDS as registered holder of such Global Security. Interest payments on each Global Security may be made by cheque dated the date interest is payable and delivered to CDS three Business Days before the date interest is payable. Payments of interest may also be made by electronic funds transferred to CDS at the option of the Corporation. Principal payments on each Global Security will be made by cheque dated the maturity date of the Securities delivered to CDS at maturity against receipt of such Global Security. As long as CDS is the registered holder of a Global Security, CDS will be considered the sole owner of such Global Security for the purpose of receiving payment on the Securities and for all other purposes under the Trust Indenture and the Securities.

The Corporation expects that CDS, upon receipt of any payment of principal or interest in respect of a Global Security, will credit Participants’ accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of CDS. The Corporation also expects that payments of principal and interest by Participants to the owners of beneficial interests in such Global Security held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the account of customers in bearer form or registered in ‘‘street name’’, and will be the responsibility of such Participants. The responsibility and liability of the Corporation and the Trustee in respect of Securities represented by a Global Security is limited to making payment of any principal and interest due on such Global Security to CDS.

Discontinuance of Depository’s Services

The Securities will be issued in fully registered form to holders or their nominees other than CDS or its nominee if: (i) the Corporation determines that CDS is no longer willing or able to discharge properly its responsibilities as depository and the Corporation is unable to locate a qualified successor and appoint such successor within 90 days; (ii) the Corporation at its option elects to do so or is required by law to do so; (iii) CDS' book-entry system ceases to exist; or (iv) there shall have occurred an Event of Default which is continuing. The ability of a person having a beneficial interest in a Security outstanding in ''book-entry only'' form to pledge such interest or otherwise take action with respect to such interest, other than through a Participant, may be limited due to the lack of a physical certificate.

Defeasance and Discharge

Under the terms of the Trust Indenture, the Corporation will be discharged from any and all obligations in respect of the Securities (except for, among other things, certain obligations with respect to provisions for payment of the Securities and obligations to register the transfer or exchange of the Securities, to replace stolen, lost or mutilated Securities, to maintain paying agencies and to hold moneys for payment in trust), if (i) the Corporation deposits with the Trustee, in trust, the following:

(a) cash;

(b) securities issued or guaranteed by the Government of Canada; or

(c) securities issued or guaranteed by a province of Canada which are rated by both DBRS and CBRS (or their successors or similar recognized rating services) at least AA and A+, respectively, or issued or guaranteed by a partnership, corporation, unincorporated syndicate, unincorporated organization, trust or other entity which are rated by both DBRS and CBRS (or their successors or similar recognized rating services) at least AAA and A++, respectively, at the time the defeasance occurs provided that:

  (I) if DBRS or CBRS ceases to rate such securities and has no successor, a rating of at least the appropriate rating indicated above by the remaining rating service will suffice for the purposes hereof; and

  (II) if securities issued or guaranteed by a partnership, corporation, unincorporated syndicate, unincorporated organization, trust or other entity have been rated by only one of DBRS or CBRS, a rating of at least the appropriate rating indicated above by the one rating service will suffice for the purposes hereof;

in an amount sufficient to pay all the principal of and interest on the Securities on the dates such payments are due in accordance with the terms of such Securities; (ii) no Event of Default shall have occurred and be continuing on the date of deposit or, with respect to certain events of bankruptcy or insolvency, at any time during the period ending on the 91st day after such deposit; (iii) the defeasance would not result in a breach or violation of the Trust Indenture or any other material agreement by which the Corporation is bound; and (iv) the Corporation shall have delivered to the Trustee an opinion of nationally recognized counsel qualified to practice in Canada to the effect that the holders of the Securities will not recognize income, gain or loss for Canadian federal, provincial or territorial income tax or other tax purposes as a result of such defeasance and will be subject to or, in the case of non-resident holders, exempt from Canadian federal, provincial or territorial income tax and other tax on the same amounts and in the same manner and at the same times as would have been the case had such defeasance not occurred, or an advance ruling from Revenue Canada to the same effect in respect of federal income tax and confirmation from such counsel that the relevant provincial or territorial income tax provisions are consistent with the federal provisions. Prior to depositing such amounts, the Corporation may give the Trustee notice, which shall be irrevocable, of its election to redeem any or all of the Securities at a future date.

Modification of the Trust Indenture and Securities

Without the consent of any holder of Securities, the Corporation and the Trustee may amend or supplement the Trust Indenture or the Securities, among other things, to cure any ambiguity, defect or inconsistency or to make any change that does not adversely affect the rights of any holder of the Securities in any material respect. Other modifications and amendments of the Trust Indenture may be made by the Corporation and the Trustee with the consent of the holders of not less than a majority in aggregate principal amount of the Securities affected thereby then outstanding under the Trust Indenture; *provided,* however, that no such modification or amendment may, without the consent of the holder of each outstanding Security affected thereby, be made to: (i) change the stated maturity of the principal of, or any interest on, any Security; (ii) reduce the principal amount of any Security or the accrued and unpaid interest thereon or the rate of interest thereon or the redemption price of any Security; (iii) change the place or currency of payment of principal of or interest on the Securities; (iv) impair the right to institute suit for the enforcement of payment on or with respect to the Securities on or after the due date thereof; (v) modify the subordination provisions applicable to the Securities or the definition of ''Senior Indebtedness'' in a manner adverse to the holders thereof; (vi) reduce the percentage in principal amount of outstanding Securities, the consent of the holders of which is required for modification or amendment of the Trust Indenture or for any waiver of compliance with certain provisions of the Trust Indenture or for waiver of certain defaults; or (vii) modify any of the provisions of certain sections specified in the Trust Indenture including the provisions summarized in this paragraph.

CONSOLIDATED INTEREST AND ASSET COVERAGES

The consolidated interest and asset coverages are calculated as at January 2, 1999 and October 2, 1999 (in the case of asset coverages) or for the twelve months then ended (in the case of interest coverage). In each case, the ratios have been calculated assuming the proceeds from this Offering are used to repay commercial paper. Interest coverage on total debt is equal to net income before interest expense on total debt and income taxes divided by total annual interest requirements (including capitalized interest). Net tangible asset coverage on long-term debt is equal to total assets (excluding intangible assets) less current liabilities and other liabilities (excluding long-term debt) divided by long-term debt. These calculations assume that the Underwriters' Option is not exercised.

The interest and asset coverage ratios have been calculated based on Canadian Generally Accepted Accounting Principles (''Canadian GAAP''). Pursuant to Canadian GAAP, the Securities are partially included in shareholders' equity and distributions on the Securities are partially charged to retained earnings.

	Oct. 2, 1999 Actual	**Oct. 2, 1999 Adjusted for this Offering**	**Jan. 2, 1999 Actual**	**Jan. 2, 1999 Adjusted for this Offering**
	(All figures in $ 000's except coverage ratios)			
Interest Coverage[(1)]				
Interest requirements	108,756	104,215	84,009	79,250
Earnings before interest expense and taxes	365,786	365,786	324,169	324,169
Interest coverage	3.36X	3.51X	3.86X	4.09X
Tangible Assets Coverage				
Tangible assets[(2)]	2,574,122	2,670,972	2,074,923	2,171,773
Total long-term debt (including current portion)	1,250,681	1,252,147	815,951	817,417
Tangible asset coverage	2.06X	2.13X	2.54X	2.66X

(1) Based on twelve months then ended.

(2) Consolidated net tangible assets after deduction of deferred income taxes.

The interest coverage calculations have been made without including the annual carrying charges relating to the equity component of the Securities offered hereby. If the equity component of the Securities were classified as debt, the entire carrying charges of the Securities would be included in interest expense. If these annual carrying charges had been included in the calculations, the interest coverage would have been 3.23X and 3.68X for the twelve month periods ended October 2, 1999 and January 2, 1999, respectively.

If the entire amount of the Securities offered hereby had been included in long-term debt, the net tangible asset coverages would have been 1.98X and 2.37X as at October 2, 1999 and January 2, 1999, respectively.

CREDIT RATINGS OF THE SECURITIES

The Securities have been provisionally rated B++ (High) by CBRS and Pfd-2 y by DBRS (each a ''Rating Agency''). CBRS' rating of the Securities is on a long term debt rating scale that ranges from A++ to D, which represents the range from highest to lowest quality of such securities rated. Securities rated in the B++ category by CBRS are in the fourth highest category of the relevant scale and are considered by CBRS to be investment grade. The assignment of a ''(High)'' or ''(Low)'' modifier within each of the eight long term debt rating categories indicates relative standing within such category. DBRS' rating of the Securities is on a preferred share rating scale that ranges from Pfd-1 to Pfd-5, which represents the range from highest to lowest quality of such securities rated. Securities rated in the Pfd-2 rating category by DBRS are in the second highest category of the relevant scale and are considered by

DBRS to be of satisfactory credit quality. The assignment of a ‘‘(high)’’ or ‘‘(low)’’ modifier within each of the five preferred share rating categories indicates relative standing within such category. The ‘‘y’’ modifier is used to indicate a hybrid security.

The credit ratings accorded to the Securities by the Rating Agencies are not recommendations to purchase, hold or sell the Securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a Rating Agency in the future if in its judgment circumstances so warrant.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Cassels Brock & Blackwell LLP and Osler, Hoskin & Harcourt LLP the following fairly presents the principal Canadian federal income tax considerations generally applicable to purchasers (each a ‘‘Securityholder’’) of Securities pursuant to this prospectus who, at all relevant times, are resident in Canada, deal with the Corporation at arms’ length and acquire and hold the Securities as capital property.

This summary is not applicable to any holder of Securities which is a ‘‘financial institution’’, as defined in Section 142.2 of the Tax Act or to any holder of Securities an interest in which is a ‘‘tax shelter investment’’ for the purposes of the Tax Act.

This summary is based upon the facts set out in the Prospectus, the current provisions of the Tax Act and the regulations thereunder, all specific proposals (the ‘‘Tax Proposals’’) to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof as well as counsel’s understanding of the current published administrative practices of the Canada Customs and Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except as noted above, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, and does not take into account tax legislation or considerations of any province, territory or foreign jurisdiction.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE SECURITYHOLDER AND NO REPRESENTATIONS WITH RESPECT TO THE INCOME TAX CONSEQUENCES TO ANY SUCH SECURITYHOLDER ARE MADE. PROSPECTIVE SECURITYHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF ACQUIRING, HOLDING AND DISPOSING OF SECURITIES INCLUDING THE APPLICATION AND EFFECT OF THE INCOME AND OTHER TAX LAWS OF ANY COUNTRY, PROVINCE, STATE OR LOCAL TAX AUTHORITY.

Taxation Of Securityholders

A Securityholder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in its income for a taxation year any interest on a Security that accrues to a Securityholder to the end of that taxation year or becomes receivable or is received by it before the end of that year, except to the extent that such interest was included in the income of the Securityholder for a preceding taxation year.

Any other Securityholder will be required to include in income for a taxation year any amount received or receivable by the Securityholder in that year as interest on a Security, depending upon the method regularly followed by the Securityholder in computing income, to the extent that such amount was not included in the income of the Securityholder for a preceding taxation year. If the Corporation exercises its right to defer payments of interest on a Security, a Securityholder will be required to include in computing its income interest accruing on the Security during such deferral period, notwithstanding that no cash is received by the Securityholder in respect of such interest during such deferral period. The Corporation has concluded that the likelihood of it exercising its option to defer payments of interest on the Securities is remote.

Upon an actual or deemed disposition of a Security by a Securityholder at any time, including the redemption upon maturity of such Security, the Securityholder will be required to include in income for the taxation year in which the disposition occurs an amount equal to the amount of interest that has accrued on the Security to the date of the disposition and which is not payable until after that time, to the extent that such interest was not otherwise included in computing the income of this Securityholder for that year or the preceding taxation year.

An actual or deemed disposition of a Security will also result in the recognition by the Securityholder of a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Security, net of amounts included in the Securityholder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Securities to the Securityholder.

Three quarters of the amount of any capital gain (a ''taxable capital gain'') realized by a Securityholder in a taxation year must generally be included in the income of the Securityholder for the year, and three-quarters of any capital loss (an ''allowable capital loss'') realized by a Securityholder in a taxation year may be deducted from taxable capital gains realized by a Securityholder in that year. Allowable capital losses in excess of taxable capital gains may generally be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

A Securityholder that is a ''Canadian controlled private corporation'', as defined in the Tax Act, may be liable to pay an additional refundable tax of 6⅔% on certain investment income, including interest and taxable capital gains.

As described under ''Description of the Securities – Share Payment Election'', the Corporation may elect to satisfy any or all of its obligations to pay interest or Deferred Interest by delivering Shares to the Trustee, the proceeds of sale of which will be distributed to Securityholders. If, however, the Corporation were to pay interest or Deferred Interest in whole or in part by issuing Shares to the Trustee, the Canadian federal income tax consequences to a Securityholder should not differ from those described herein.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated January 13, 2000 (the ''Underwriting Agreement''), the Corporation has agreed to sell and RBC Dominion Securities Inc., Merrill Lynch Canada Inc., National Bank Financial Corp., Scotia Capital Inc., CIBC World Markets Inc. and Nesbitt Burns Inc. (collectively, the ''Underwriters'') have severally agreed, in the proportions set out in the Underwriting Agreement, to purchase, on or about January 28, 2000 or such other date as may be agreed upon, but not later than February 11, 2000, subject to the terms and conditions stated therein, $100 million principal amount of the Securities, payable in cash to the Corporation against delivery of such principal amount of such Securities. The Underwriting Agreement provides that the Corporation will pay the Underwriters a commission of approximately $3.15 million on account of underwriting services rendered in connection with this Offering.

The Corporation has agreed to pay the Underwriters a commission of $0.2500 for each Security sold to institutions by closing and $0.7875 for each Security for all other Securities. Therefore, to the extent that sales are made to institutions by closing, the actual amount of the Underwriters' commission will be less than the aggregate amount specified above.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including their assessment of the state of the financial markets. The Corporation is not obligated to sell less than all of the Securities.

The Corporation has granted to the Underwriters an option, exercisable until the closing of the Offering, to purchase up to an additional $25,000,000 principal amount of Securities. If the Underwriters' Option is exercised in full, the total price to the public will be $125,000,000, the maximum Underwriters' commission will be $3,937,500 and the proceeds to the Corporation (before expenses) will be $121,062,500. If the Underwriters exercise the Underwriters' Option, they will have a firm commitment to purchase on a pro rata basis such Securities at the public offering price. This Prospectus also qualifies for distribution any Securities that are issued pursuant to the exercise of the Underwriters' Option.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the ''1933 Act''), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons. Each Underwriter has agreed that it will not offer or sell such securities as part of the distribution thereof at any time within the United States or to, or for the account or benefit of, U.S. persons. Terms used above in this paragraph have the meanings given to them by Regulation S under the 1933 Act. In addition, until 40 days after the commencement of this Offering, an offer or sale of the Securities within the United States by any dealer, whether or not participating in this Offering, may violate the registration requirements of the 1933 Act if such offer or sale is made other than in accordance with an exemption from such requirements.

The Corporation has agreed to indemnify the Underwriters and their directors, officers and employees against certain liabilities.

The Corporation has agreed that it will not, without the prior consent of RBC Dominion Securities Inc. and Merrill Lynch Canada Inc. on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, directly or indirectly offer, sell or otherwise dispose of any Securities or securities substantially similar to the Securities or any securities convertible into or exchangeable for or exercisable into any of the foregoing, anywhere in Canada for a period of 60 days from the date of closing of this Offering or agree to do so or publicly announce any intention to do so.

There is currently no market through which the Securities may be sold. Application has been made to list the Securities on the TSE, which listing would be subject to the fulfilment of the requirements of such exchange. The TSE has not yet approved the listing of the Securities.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution, bid for or purchase Securities. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Securities. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSE relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, in connection with this Offering, the Underwriters may over-allot the Securities offered by this prospectus or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

RISK FACTORS

Prospective investors in the Securities should carefully consider the following risk factors in addition to the other information contained and incorporated by reference in this prospectus before purchasing any of the Securities offered hereby.

Retail Industry

The business of the Corporation is subject to risks inherent in retail business operations generally, such as intense competition, increases in operating costs caused by general and local economic conditions, employment and labour relations, increases in interest rates and operating expenses and government regulations.

Subordination of Securities

The Securities are a series of unsecured junior subordinated debentures of the Corporation. As such, the Securities will be subordinate in right of payment to all of the Corporation's current and future outstanding Senior Indebtedness. As of October 2, 1999, the Corporation's outstanding Senior Indebtedness did not exceed $2.0 billion, including off-balance sheet operating lease commitments and hedging arrangements. The Securities will also effectively be subordinate to claims of creditors of the Corporation's subsidiaries, except to the extent that the Corporation is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. As of October 2, 1999, the subsidiaries of the Corporation had total liabilities not exceeding $380 million (including accounts payable and accrued liabilities of approximately $105 million and off-balance sheet operating lease commitments and hedging arrangements, but excluding inter-company liabilities). The Securities do not limit the ability of the Corporation or its subsidiaries to incur additional indebtedness, including indebtedness that ranks senior to, or *pari passu* in right of payment with, the Securities. The terms of the Securities prohibit the Corporation from making any payments on the Securities if the Corporation is in default in payment of any Senior Indebtedness. In any bankruptcy, insolvency or winding-up of the Corporation, the assets of the Corporation would be used to pay amounts owing on the Securities only after all Senior Indebtedness has been paid in full. See ''Description of the Securities – Subordination''.

Option to Extend Interest Payment Period and Tax Consequences

The Corporation has the right, at any time and from time to time, subject to certain conditions, to defer payments of interest on the Securities by extending interest payment periods for Extension Periods, each not exceeding 20 consecutive quarterly periods; provided that during any Extension Period: (i) the Corporation shall not declare or pay dividends on, or make a distribution with respect to, or redeem, repurchase or acquire, or make a liquidation payment with respect to, any of its capital stock (with certain exceptions as described under ''Description of the Securities – Option to Extend Interest Payment Periods''); and (ii) the Corporation shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities or indebtedness for money borrowed, issued or incurred by the Corporation that rank *pari passu* in right of payment with or junior to the Securities (excluding, for the avoidance of doubt, trade payables arising in the ordinary course of business, which may be paid, and also excluding Senior Indebtedness, in respect of which such payments, repayments, repurchases and redemptions may be made). Prior to the termination of any Extension Period, the Corporation may further defer payments of interest by extending the Extension Period of the Securities; provided, however, that no Extension Period may exceed 20 consecutive quarterly periods or extend beyond the stated maturity of the Securities. Upon the termination of any Extension Period and the payment of all Deferred Interest, the Corporation may commence a new Extension Period for up to 20 consecutive quarterly periods, subject to the terms described herein. There may be multiple Extension Periods of various lengths, each of up to 20 consecutive quarterly periods, throughout the term of the Securities, but none of the Extension Periods may extend beyond the stated maturity of the Securities. See ''Description of the Securities – Option to Extend Interest Payment Periods''.

If the Corporation exercises its right to defer payments of interest on Securities, a Securityholder will be required to include in computing its income interest accruing on the Securities during such deferral period, notwithstanding that no cash is received by the Securityholder in respect of such interest during such a deferral period.

Redemption Tax Event

Following the occurrence of a Redemption Tax Event, the Corporation shall have the right, subject to the satisfaction of certain conditions, to redeem the Securities, in whole but not in part. The redemption price for the Securities in such circumstances shall be the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of such redemption, regardless of whether the market value of the Securities is greater than the redemption price. See ''Description of the Securities – Redemption for Changes in Canadian Tax Law''.

Likelihood of Redemption While Prevailing Interest Rates Are Low

The Securities may be redeemed at the option of the Corporation in whole or in part, at any time and from time to time after January 28, 2005 at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. This redemption price could be below the then market value of the Securities or of similar securities which the Corporation does not have the right to redeem. It is likely that the Corporation will exercise its redemption option if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interest of the Corporation to redeem the Securities.

No Prior Market for the Securities

Prior to this Offering, there has been no public market for the Securities. Although the Corporation has applied to list these Securities on the TSE there can be no assurance that an active trading market will develop or be sustained. The TSE has not yet approved the listing of the Securities.

LEGAL MATTERS

Legal matters in connection with the issue and sale of the Securities offered hereby will be passed upon on behalf of the Corporation by Cassels Brock & Blackwell LLP. Certain legal matters will be passed upon on behalf of the Underwriters by Osler, Hoskin & Harcourt LLP.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Deloitte & Touche LLP, Toronto.

The transfer agent and registrar for the Securities is Montreal Trust Company of Canada at its principal offices in Toronto.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: January 13, 2000

The foregoing, together with the documents incorporated herein by reference constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities laws of all of the provinces of Canada and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

(Signed) STEPHEN E. BACHAND
President and Chief Executive Officer

(Signed) GERALD S. KISHNER
Executive Vice-President,
Finance and Administration and
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) GILBERT S. BENNETT
Director

(Signed) MAUREEN J. SABIA
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: January 13, 2000

To the best of our knowledge, information and belief, the foregoing, together with the documents incorporated herein by reference constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by all of the securities laws of all of the provinces of Canada and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

RBC DOMINION SECURITIES INC.	MERRILL LYNCH CANADA INC.
(Signed) By: ROSEMARIE N. BAKER	(Signed) By: YVES LOCAS
NATIONAL BANK FINANCIAL CORP.	SCOTIA CAPITAL INC.
(Signed) By: MICHAEL MACKASEY	(Signed) By: GREGORY M. RUDKA
CIBC WORLD MARKETS INC.	NESBITT BURNS INC.
(Signed) By: EARL ROTMAN	(Signed) By: TOM FLYNN