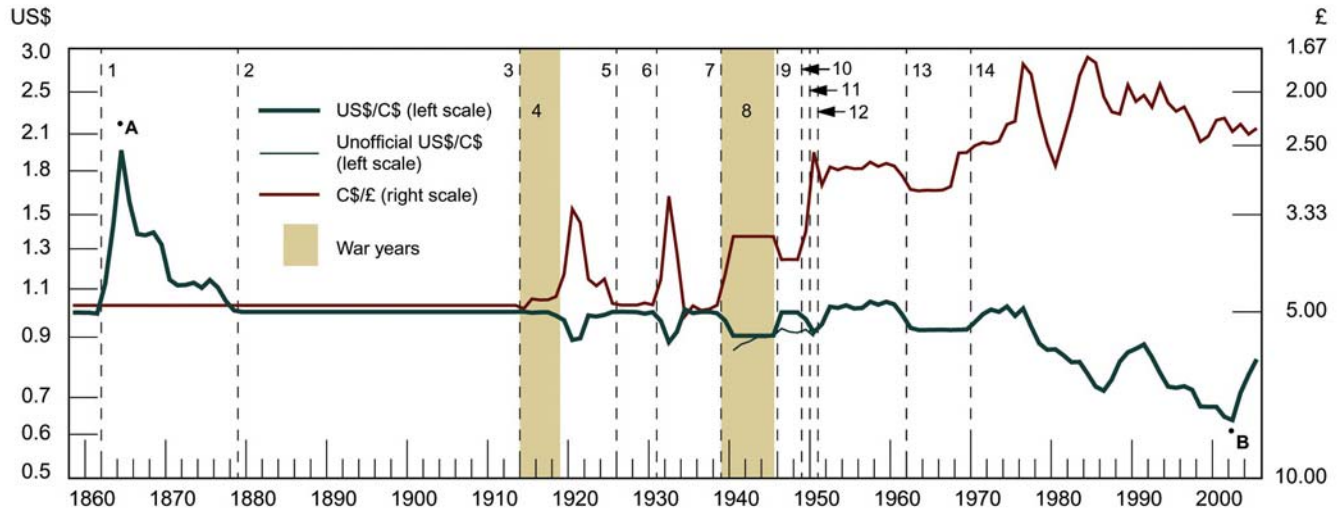


Appendix C

Charts

Chart C1
Canadian Dollar vis-à-vis U.S. Dollar and Pound Sterling
 Annual average (1858–2005)



A: 11 July 1864: All-time Canadian-dollar high US\$2.78

B: 21 January 2002: All-time Canadian-dollar low US\$0.6179

1. January 1862: U.S. suspends convertibility.

2. January 1879: U.S. returns to gold standard.

3. August 1914: Canada suspends convertibility.

4. August 1914 to November 1918: World War I

5. July 1926: Canada returns to gold standard.

6. September 1931: U.K. abandons gold standard

October 1931: Canada bans gold exports.

7. September 1939: Canada fixes dollar, introduces exchange controls.

8. September 1939 to September 1945: World War II

9. July 1946: Canada repegs dollar at parity.

10. September 1949: Canada devalues.

11. September 1950: Canada floats.

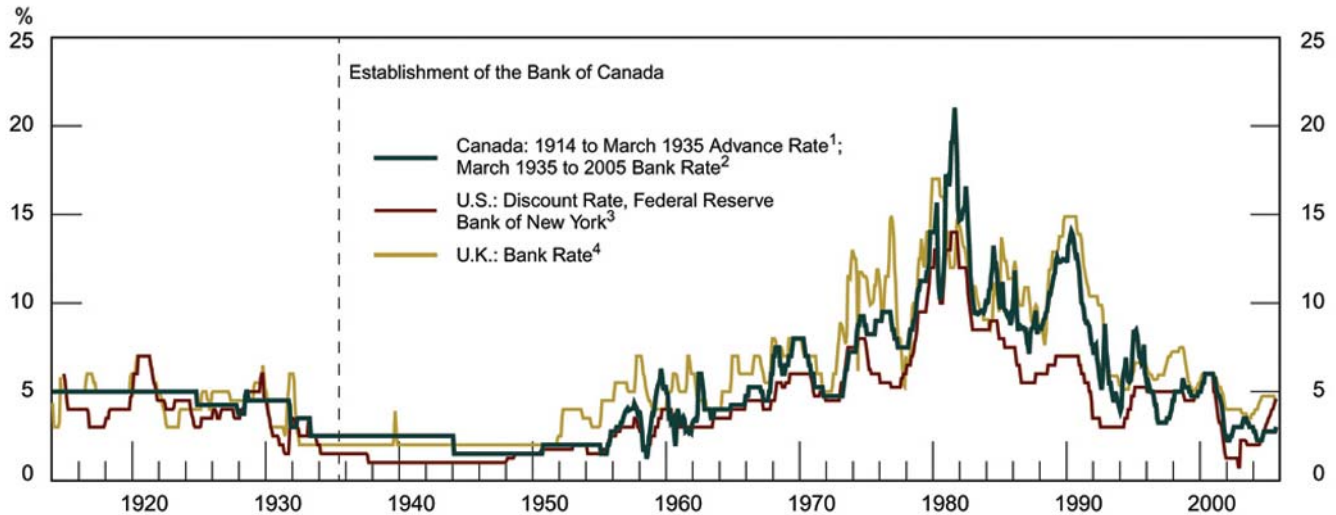
12. December 1951: Exchange controls end.

13. May 1962: Canada fixes.

14. May 1970: Canada floats.

Source: Bank of Canada; U.S. Federal Reserve System; *Historical Statistics of Canada* (Second Edition); Some Notes on Foreign Exchange in Canada before 1919 (S. Turk, June 27, 1962); *Montreal Gazette*.

Chart C2
Interest Rates: Canada, United Kingdom, and United States, 1914–2005



1. There were some exceptions. Special rates were sometimes applied to particular securities.
2. From 1 November 1956 to 24 June 1962 and from 13 March 1980 to 21 February 1996, the Bank Rate in Canada was $\frac{1}{4}$ of 1 per cent above the weekly average tender rate of 91-day treasury bills. Since 22 February 1996, the Bank Rate has been set at the upper limit of the Bank of Canada's operating band for the overnight interest rate.
3. Prior to January 2003, discount-window lending consisted of adjustment credit, extended credit, and seasonal lending programs. Customarily, the interest rate on adjustment credit was lower than the federal funds rate: the rate of interest at which banks lend to each other. After January 2003, the adjustment and extended credit programs were replaced by primary and secondary credit programs. Rates on primary and secondary credit are above the federal funds rate.
4. 1914 to June 1972 Bank Rate, 1972 to March 1981 Minimum Lending Rate, 1981 to October 1996 Min. Band 1 Dealing Rate 1, 1996 to present Repo Rate.

Source: U.S. Federal Reserve, Macmillan Report, Bank of Canada, Bank of England website