

# Introduction

The history of Canada's money provides a unique perspective from which to view the growth and development of the Canadian economy and Canada as a nation. Building on an earlier edition, this expanded *History of the Canadian Dollar*, traces the evolution of Canadian money from its pre-colonial origins to the present day. Highlighted on this journey are the currency chaos of the early French and British colonial period, the sweeping changes ushered in by Confederation in 1867, as well as the effects of two world wars and the Great Depression.

The book chronicles the ups and downs of the Canadian dollar through almost 150 years and describes our dollar's relationship with its U.S. counterpart. It also examines the forces that led to the adoption of the dollar as our currency

during the nineteenth century, instead of the pound, as well as the factors that led Canada to move from the gold standard in the 1920s, to the Bretton Woods system of fixed exchange rates in the 1940s and, ultimately, to a flexible exchange rate regime in 1970.

Finally, on the seventieth anniversary of the establishment of the Bank of Canada in 1935, at the height of the Great Depression, this book examines the formation of Canada's central bank and its ensuing quest for a monetary order that best promotes the economic and financial welfare of Canada. While its tactics have changed over the years, the Bank's enduring goal has been the preservation of confidence in the value of money through achieving and maintaining price stability.