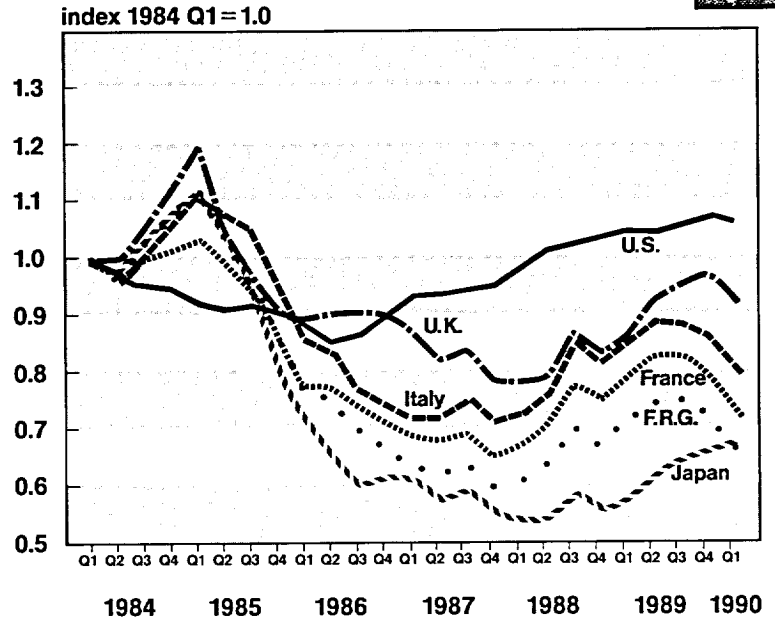


# Comparative Economic Charts

**Chart 1**  
**Canadian Dollar Movements**  
**against G-7 Currencies**

Continuing the trend that began in early 1986, the Canadian dollar appreciated steadily against the U.S. dollar through 1989. The Canadian dollar ended the year at 86 1/3 cents U.S., up about 2 1/2 cents during the year. In the early part of 1990, the Canadian dollar has shown somewhat greater volatility against the U.S. dollar, with its average value for the first quarter about 1 1/4 cents lower than its year-end 1989 value.

The Canadian dollar in 1989 also strengthened against all overseas G-7 currencies; it ended the year up 20 percent against the Japanese yen and up 18 percent against the U.K. pound. In the first quarter of 1990, however, the Canadian dollar lost ground against all overseas G-7 currencies except the yen.



**Chart 2**  
**U.S. Dollar Movements**  
**against G-7 Currencies**

In the first half of 1989, the U.S. dollar strengthened against both the Japanese yen and the F.R.G. Deutsche Mark. Since September, however, the U.S. dollar has fallen back sharply against the Mark while it continues to trade in a higher range against the yen. Rapid growth in the F.R.G., and the prospect of a sustained expansion there as a result of the opening up of Eastern Europe, have generated optimism in the country's economy. In addition, interest rate increases in the F.R.G. have brought rates there about equal to U.S. rates, making the Mark attractive to international investors. Meanwhile, interest rate increases in Japan have tended to lag behind those in the U.S. and the F.R.G.

