

## APPENDIX

## COMMUNIQUÉ AND PRESS RELEASES FOLLOWING MEETING OF CENTRAL BANK GOVERNORS

## DEPARTMENT OF FINANCE

Ottawa, March 17, 1968

68-37

The Honourable Mitchell Sharp, Minister of Finance, tonight welcomed the decisions announced in the communique issued in Washington today by the Governors of the Central Banks contributing to the Gold Pool. He noted the subsequent statement issued by the Governor of the Bank of Canada in which the Governor said the Bank of Canada would cooperate in the policies set forth in that communique, as other Central Banks had been invited to do. The Minister stated that he had assured the Governor of his support of this policy, which would apply to the gold held by the Bank on behalf of the Minister of Finance as part of Canada's official reserves.

The co-operation in the policies set forth in the Washington communique will not require any change in the practices that have been followed in the management of Canada's gold reserves, nor any change in the practices followed in the disposition of the output of Canadian gold mines.

## DEPARTMENT OF FINANCE

Ottawa, March 17, 1968

68-33

The Honourable Mitchell Sharp, Minister of Finance, tonight made public the text of a telegram he had sent to all banks and to other dealers in gold requesting them to continue until further notice the suspension of trading in gold that was instituted on Friday in response to his request Thursday evening.

"In view of the important decisions relating to non-official markets for gold taken in Washington today by the central banks contributing to the gold pool I request that you continue to suspend trading in gold until further notice."

## BANK OF CANADA

Ottawa, March 17th, 1968

The Governor of the Bank of Canada, Louis Rasminsky, announced tonight that as part of the large increase in Swap facilities between

the Federal Reserve System and other central banks announced in Washington today the reciprocal credit facility between the Bank of Canada and the Federal Reserve System has been increased from \$750 million to \$1,000 million.

Mr. Rasminsky also stated that in response to the invitation addressed to other central banks in the communique issued at the conclusion of the Washington meeting of the Governors of the central banks of the contributing members of the Gold Pool, the Bank of Canada would co-operate in the policies set forth in that communique.

*Communiqué*

March 17, 1968.

The Governors of the central banks of Belgium, Germany, Italy, the Netherlands, Switzerland, the United Kingdom and the United States met in Washington March 16 and 17, 1968, to examine operations of the Gold Pool, to which they are active contributors. The Managing Director of the International Monetary Fund and the General Manager of the Bank for International Settlements also attended the meeting.

The Governors noted that it is the determined policy of the United States Government to defend the value of the dollar through appropriate fiscal and monetary measures and that substantial improvement of the United States balance of payments is a high priority objective.

They also noted that legislation approved by (U.S.) Congress makes the whole of the gold stock of the nation available for defending the value of the dollar.

They noted that the United States Government will continue to buy and sell gold at the existing price of \$35 an ounce in transactions with monetary authorities. The Governors support this policy and believe it contributes to the maintenance of exchange stability.

The Governors noted the determination of the United Kingdom authorities to do all that is necessary to eliminate the deficit in the United Kingdom balance of payments as soon as possible and to move to a position of large and sustained surplus.