bonds already cashed in since the beginning of the fiscal year.
Sept. 19, In the Federal Republic of Germany, the Lombard rate was reduced 0.5% to 9.0% as recessionary forces intensified; real GNP declined in the second quarter in the Federal Republic of Germany; Japan also appeared ready to participate in the easing of interest rates occurring outside of North America, as the Bank of Japan said it would carry out monetary policy with more flexibility to spur economic growth.
Sept. 24, Oil exports from Iraq and Iran were halted as war broke out between the nations, whose combined output accounted for 20% of OPEC production.
Sept. 25, The Federal Reserve Board raised its discount rate from 10% to 11% in response to strong expansion of the monetary aggregates; the bank rate rose to 11.20%, up from 10.57% at the start of the month; the Bank of Canada said it had acted to moderate the recent upward trend in short-term interest rates, but that its willingness to do so was tempered by the threat that a significant acceleration of monetary expansion and a significant decline in the external value of the Canadian dollar would intensify the problem of inflation.
Sept. 26, In reaction to the discount rate increase, US banks raised their prime lending rate half a percentage point to 13%.

October 1980

Oct. 2, Citibank led an increase in the US prime lending rate to 14.0%, up from 13.0% a week earlier; the bank rate in Canada rose in unison to 11.8%; chartered banks in Canada followed by raising the prime rate to 13.0% from 12.25%.
Oct. 3, Saudi Arabia, Kuwait, Qatar, and the United Arab Emirates announced they would raise oil production by one million barrels a day to partly offset the loss of oil while the Iraqi-Iran war continued; crude oil prices had moved up about 20% since the war in the Mid-East began as 2.5 million barrels a day of oil production was lost.
Oct. 10, Chartered banks lowered their prime rates to 12.75%.
Oct. 14, A two-week old dispute ended between 40,000 federal clerical workers and Treasury Board.
Oct. 17, Despite criticism from the Carter administration, all major US banks raised their prime rates to 14%.
Oct. 28, A federal budget was introduced, with most of the initiatives directed toward energy policies; the government proposed an immediate increase of 80 cents a barrel in the domestic price of crude oil, with increases of at least $4.50 a year in the next three years; the energy policy stressed increased Canadian control of the oil and gas industry and an increase in the federal government's share of oil revenues, largely at the expense of private industry; unemployment insurance premiums were raised 33%; the budgetary deficit remained about $14 billion in fiscal 1981-82, as planned expenditures rose 13%; the government indicated its continued support of the Bank of Canada's monetary policy.
Oct. 29, All major US banks raised their prime rates half a percentage point to 14.5%, the highest level since late May, attributing the increase to a rising cost of obtaining loanable funds; federal funds, for example, closed at 15%.
Oct. 31, Chartered banks announced an increase in the prime rate to 13.25% from 12.75%; mortgage rates rose to 14.75% for two-year and 15.25% for five-year terms.

November 1980

Nov. 3, Chartered banks in Canada raised their prime rate from 12.75% to 13.25%.
Nov. 6, All major US banks raised their prime lending rate from 14.5% to 15.5%.
Nov. 13, Ontario Treasurer Frank Miller tabled a mini-budget, including the removal of the 7% sales tax on furniture, major appliances, and residential building materials, and a sales tax rebate up to $700 on the purchase of new light trucks and vans; the retail sales tax cuts were estimated to cost $230 million annually.
Nov. 18, The US prime lending rate rose to 16.25%, following a one percentage point increase in the FRB's discount rate to 12%; the board added a 2% surcharge on the discount rate for banks that borrow frequently from the discount window.
Nov. 21, The prime rate in the US rose to 17.0%, the second 0.75 percentage point increase in the week.
Nov. 26, The US prime rate rose to 17.75% at most banks, and 18% at some, as the upward spiral of interest rates closed on the peaks attained in April.
Nov. 27, The Canadian prime rate rose to 14.5% in contrast to the previous peak of 17.5% in 1980.

December 1980

Dec. 4, The FRB raised its discount rate from 12% to 13% and increased its surcharge for frequent borrowing from 2% to 3%.
Dec. 10, The US prime rate rose to 19% following the increase in the discount rate (and peaked at 21.5% in the following week).
Dec. 12, Mortgage rates at most Canadian chartered banks rose by 0.5 to 1.25 percentage points to 16% for a one-year term and 16.75% for five-year terms.
Dec. 19, The prime rate in Canada rose to a record 18.25%.
Dec. 31, The United States removed tax restrictions that discouraged Americans from attending conventions in Canada.

January 1981

Jan. 14, A cold front reduced temperatures to about 11°C colder than normal in most of the Eastern US and Canada.
Jan. 16, The federal government raised the export price of natural gas by 10.5%, effective April 1.
Jan. 29, The United States abolished all controls on domestic oil prices, effective immediately.

February 1981

Feb. 3, The Manitoba government tabled a budget calling for a 15% increase in spending in fiscal 1981-82; the largest increases were to meet higher borrowing costs and to maintain the freeze on hydro rates.
Feb. 13, The Bank of Canada announced that it was lowering the target range for the growth of the money supply