

addition, residents who receive sterling* are not required to offer such sterling for sale to the Board through an authorized dealer. They may deposit sterling which they receive in a sterling bank account and make disbursements therefrom for any of their own expenditures in the sterling area without permit from the Board. All purchases and sales of sterling for Canadian dollars must, however, be made through an authorized dealer in Canada.

The Board has also exempted from licence and permit requirements a number of normal small transactions with countries outside the sterling area.

The broad lines of policy laid down in the Foreign Exchange Control Order and the Regulations and instructions of the Board may be summarized as follows:—

(1) Remittances to sterling area. Sterling is provided for remittance to countries in the sterling area and residents of Canada may transfer Canadian dollars to sterling-area countries for any purpose without limitation as to amount.

(2) Export of goods. All exports of goods from Canada to countries outside the sterling area must produce their fair value in United States dollars.* Exports to countries in the sterling area may be made for payment in sterling or Canadian dollars transferred from Canadian dollar accounts of residents of the sterling area.

(3) Services rendered by residents to non-residents. Residents of Canada are required to obtain payment in United States dollars for the fair value of services performed for non-residents other than residents of the sterling area with the exception of ordinary services rendered to tourists. Payment for services rendered for residents of the sterling area may be accepted in sterling or in Canadian dollars transferred from accounts of sterling-area residents.

(4) Imports of goods. United States dollars are provided and payment in Canadian dollars is permitted for the fair value of any imports of goods (not prohibited under any other law) originating in and shipped to Canada from non-sterling-area countries. Goods of sterling-area origin or which are shipped to Canada from the sterling area may be paid for only in sterling or in Canadian dollars transferred to a sterling-area country.

(5) Services rendered to residents by non-residents. United States dollars are provided and payment in Canadian dollars permitted for normal services rendered to residents of Canada by non-residents who are not residents of the sterling area except that ocean transportation charges on goods consigned to Canada from the sterling area may be paid only in sterling. Payment for services rendered by residents of the sterling area may be made only in sterling or in Canadian dollars transferred to a sterling-area country.

(6) Current income of non-residents. Permission is granted for the payment in United States dollars or Canadian dollars of rents, interest, wages and other types of current income accruing in Canada to non-residents other than residents of the sterling area. Where such income is payable in Canadian dollars, either the resident making the payment or the non-resident recipient may obtain United States dollars at the official rate for the equivalent of the Canadian dollar amount payable. Authority is given for the payment of dividends from the current earnings of Canadian companies and non-residents other than residents of the sterling area are

* For the purposes of the Foreign Exchange Control Order 'sterling' is defined to mean and include the local currency of any country in the sterling area and 'United States dollars' is defined to mean and include any other foreign currency (except the currency of a sterling-area country) which is freely convertible into United States dollars. Throughout this article these terms are used in the same sense as in the Order.