

furnished with the United States dollar equivalent at the official rate. As in the case of other payments, income accruing to residents of the sterling area may be paid only in sterling or Canadian dollars.

(7) Gifts, benevolent remittances, etc. Bona fide benevolent remittances such as charitable donations, gifts, family maintenance, religious and missionary expenditures and remittances by non-profit organizations are permitted to be made to non-residents other than residents of the sterling area in United States or Canadian dollars within moderate limits. As indicated above, remittances in sterling or Canadian dollars to residents of the sterling area may be made for any purpose or amount.

(8) Debts payable to non-residents. Residents of Canada are permitted to fulfil their legal obligations to non-residents other than residents of the sterling area as and when they fall due if such obligations were incurred prior to Sept. 16, 1939, or if after that date, where incurred with the consent of the Board. Where debts are contractually payable in foreign currency, that foreign currency is provided for repayment; payment of debts contractually payable in Canadian dollars is permitted to be made in Canadian dollars. A resident is not permitted to incur capital obligations to a non-resident other than a resident of the sterling area, either in Canadian dollars or foreign exchange, without obtaining the prior approval of the Board. Obligations to residents of the sterling area may be paid in sterling or Canadian dollars whether or not they are due.

(9) Other capital payments to non-residents. In general, capital payments to non-residents who are not residents of the sterling area, other than in satisfaction of legitimate debts, are not permitted either in Canadian dollars or in foreign exchange; for example, a resident is not permitted to make a payment to a non-resident other than a resident of the sterling area for the purchase of securities. In the particular case of sales of real estate owned in Canada by non-residents other than residents of the sterling area prior to the inception of exchange control and any distributions to non-residents other than residents of the sterling area of the capital of estates and trusts, payments to the vendor or beneficiary of other than nominal amounts are permitted only where the proceeds are invested in Canadian domestic securities.

(10) Securities transactions. Residents disposing of foreign securities to non-residents other than residents of the sterling area must obtain payment of the full value in United States dollars which they must either reinvest immediately in other similar foreign securities or sell to an authorized dealer. Residents are likewise not provided with United States dollars nor may they transfer Canadian dollars to non-residents other than residents of the sterling area for the purchase of securities. On the other hand, the sale of securities in Canada by non-residents other than residents of the sterling area is generally permitted only where the securities were purchased in Canada for cash since the commencement of exchange control or where the proceeds are being reinvested simultaneously in Canadian domestic securities.

(11) Travel. In July, 1940, the Government announced the policy of restricting the use of Canada's resources of United States dollars for pleasure travel abroad and the Board accordingly does not sell United States dollars for that purpose. Residents of Canada, Newfoundland and of the sterling area are required to obtain travel permits from the Board before leaving Canada (except when travelling direct to sterling-area countries) whether or not they are carrying any Canadian or foreign