

import and export gold points representing the cost of shipping gold in either direction, until the outbreak of the First World War. During the first eleven years after Confederation, the Canadian dollar was at a premium in the United States, as the United States dollar was not, after the Civil War, redeemable in gold until 1878. From the latter date, the dollar in the two countries was equivalent at par, and variation was only between the import and export gold points or under \$2 per \$1,000.

At the outbreak of the First World War, both the pound sterling and the Canadian dollar were removed from the gold standard, and fell to a discount in New York. However, this discount was 'pegged' or kept at a moderate percentage by sales of United States securities previously held in the United Kingdom, by borrowing in the United States and, after the United States entered the War, by arrangement with the United States Government. After the War, when the exchanges were 'unpegged' about November, 1920, the British pound went as low as \$3.18 and the Canadian dollar as low as 82 cents in New York. In the course of the next year or two, exchange returned practically to par, and the United Kingdom resumed gold payments in April, 1925, and Canada on July 1, 1926. From then until 1928 the exchanges were within the gold points, but in 1929 the Canadian dollar again fell to a moderate discount in New York. The dislocation of exchange persisted, with the exception of a few months in the latter half of 1930, into 1931. Dollar rates were below the gold export points, however, only for a few scattered intervals.

The 1942 Year Book, at pp. 829-830, deals with the pre-war position of Canadian exchange from September, 1931, to the outbreak of war and also with the war-time movement of Canadian exchange. In view of the practically static position of exchange under present conditions, this information has not been repeated here.

### **Subsection 2.—War-Time Control of Foreign Exchange**

An article that outlines the reasons for control, the organization and administration of the Foreign Exchange Control Board and the establishment of the Exchange Fund through which purchases and sales of foreign funds are made, appears at pp. 833-835 of the 1941 Year Book. A further article, at pp. 830-833 of the 1942 Year Book, covers modifications in procedure down to July, 1942, and, as only minor changes have been made since that time, it is not considered necessary to repeat the information here. The latest regulations may be ascertained through any branch of the chartered banks, which have been constituted authorized dealers by the Board.

## **PART II.—MISCELLANEOUS COMMERCIAL FINANCE**

### **Section 1.—Loan and Trust Companies\***

The Canada Year Book, 1934-35, presents at p. 993 an outline of the development of loan and trust companies in Canada from 1844 to 1913.

The laws relating to loan and trust companies were revised by the Loan and Trust Companies Acts of 1914 (4-5 Geo. V, cc. 40 and 55), with the result that the statistics of provincially incorporated loan and trust companies ceased to be col-

\* Revised under the direction of G. D. Finlayson, Superintendent of Insurance, Department of Insurance.