

On Sept. 30, 1950, the Minister of Finance announced that official fixed foreign exchange rates, which had been in effect at varying levels since 1939, would be cancelled effective Oct. 2 and that rates of exchange would be determined by conditions of supply and demand for foreign currencies, i.e., by market trading within the framework of exchange control. Subsequently, the U.S. dollar fell to a level between \$1.04 and \$1.05 in terms of Canadian funds in early December 1950. After strengthening in the second quarter of 1951, it declined to between \$1.01 and \$1.04 in December 1951.

On Dec. 14, 1951, the Foreign Exchange Control Regulations were revoked by the Governor in Council and new Regulations were passed which exempted all persons and transactions from the various declaration and permit requirements of the Foreign Exchange Control Act, thus terminating exchange control in Canada. During 1952, the U.S. dollar declined gradually to an average of 96 cents in Canadian funds in September and then rose slightly to an average of 97 cents in December.

In 1953 the U.S. dollar strengthened during the first half of the year, averaging 99 cents in Canadian funds in June, then declined to an average of 97 cents in December.

26.—Canada's Holdings of Gold and United States Dollars, as at Dec. 31, 1939-53

(Millions of U.S. Dollars)

Year	Exchange Fund Account and Bank of Canada		Other Government of Canada Accounts	Total	Year	Exchange Fund Account and Bank of Canada		Other Government of Canada Accounts	Total
	Gold	U.S. Dollars	U.S. Dollars	Gold and U.S. Dollars		Gold	U.S. Dollars	U.S. Dollars	Gold and U.S. Dollars
1939.....	218.0	54.8	33.4	404.2 ¹	1947....	286.6	171.8	43.3	501.7
1940....	136.5	172.8	20.8	332.1 ¹	1948....	401.3	574.5	22.0	997.8
1941.....	135.9	28.2	23.5	187.6	1949....	486.4	594.1	36.6	1,117.1 ²
1942.....	154.9	88.0	75.6	318.5	1950....	580.0	1,144.9	16.6	1,741.5
1943.....	224.4	348.8	76.4	649.6	1951....	841.7	899.5	37.4	1,778.6
1944.....	293.9	506.2	102.1	902.2	1952....	885.0	961.8	13.4	1,860.2
1945.....	353.9	922.0	232.1	1,508.0	1953....	986.1	802.0	30.4	1,818.5
1946... ..	536.0	686.3	22.6	1,244.9					

¹ Includes private holdings, exclusive of working balances, of \$98,000,000 at Dec. 31, 1939, and \$2,000,000 at Dec. 31, 1940. ² Excludes \$18,200,000 borrowed in the United States in August 1949 and set aside for the retirement on Feb. 1, 1950, of a security issue guaranteed by the Federal Government and payable at the holder's option in U.S. dollars.

PART II.—MISCELLANEOUS COMMERCIAL FINANCE

Section 1.—Loan and Trust Companies*

An outline of the development of loan and trust companies in Canada from 1844 to 1913 is given in the 1934-35 Year Book, p. 993. 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

* Revised under the direction of K. R. MacGregor, Superintendent of Insurance, Department of Insurance, Ottawa.