

rencies), Canada returned to the former official rates of \$1.10 and \$1.10½ for United States funds. Sterling was quoted at \$3.07½ and \$3.08½ on the basis of the New York cross rate.

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announced that official fixed foreign exchange rates which had been in effect at varying levels since 1939 would be withdrawn effective Oct. 2. Since then the Government's policy has been to allow the rate to be determined by the normal play of economic forces without official intervention by the Exchange Fund Account except to ensure orderly conditions in the foreign exchange market. No attempt is made to reverse persistent trends, but only to smooth out excessive short-run fluctuations.

Until Dec. 14, 1951, this policy was carried out within the framework of exchange control. On that date 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 requirements of the Foreign Exchange Control Act. These actions terminated exchange control in Canada and the Foreign Exchange Control Act was repealed in 1952.

The movements of the U.S. dollar in Canadian funds from January 1952 to the end of 1959 are shown in Table 20.

20.—Price of the United States Dollar in Canada, by Month, 1952-59

NOTE.—Rates published by Bank of Canada. Noon average market rate for business days in period.
(Canadian cents per U.S. dollar)

Month	1952	1953	1954	1955	1956	1957	1958	1959
January.....	100.48	97.05	97.29	96.60	99.87	96.07	98.47	96.69
February.....	100.10	97.73	96.65	97.69	99.91	95.83	98.10	97.49
March.....	99.59	98.33	97.08	98.43	99.87	95.61	97.73	96.98
April.....	98.09	98.37	98.25	98.62	99.68	95.97	97.06	96.35
May.....	98.38	99.41	98.43	98.59	99.18	95.56	96.69	96.29
June.....	97.92	99.44	98.13	98.44	98.53	95.32	96.18	95.88
July.....	96.91	99.18	97.44	98.46	98.18	95.09	96.00	95.74
August.....	96.11	98.83	97.02	98.51	98.12	94.80	96.46	95.44
September.....	95.98	98.43	96.97	98.78	97.77	95.92	97.68	95.16
October.....	96.43	98.25	96.98	99.53	97.32	96.47	97.07	94.77
November.....	97.66	97.77	96.92	99.94	96.44	96.24	96.83	95.03
December.....	97.06	97.31	96.80	99.95	96.05	97.74	96.46	95.12
Annual Average.....	97.89	98.34	97.32	98.63	98.41	95.88	97.06	95.90

21.—Canada's Official Holdings of Gold and United States Dollars, as at Dec. 31, 1942-59

NOTE.—Holdings comprise gold, U.S. dollars and short-term securities of the U.S. Government held by the Exchange Fund Account, other government accounts and net holdings of the Bank of Canada.
(Millions of U.S. dollars)

Year	Gold	U.S. Dollars	Total
1942.....	154.9	163.6	318.5
1943.....	224.4	425.2	649.6
1944.....	293.9	608.3	902.2
1945.....	353.9	1,154.1	1,508.0
1946.....	536.0	708.9	1,244.9
1947.....	286.6	215.1	501.7
1948.....	401.3	596.5	997.8
1949.....	486.4	630.7 ¹	1,117.1 ¹
1950.....	580.0	1,161.5	1,741.5
1951.....	841.7	936.9	1,778.6
1952.....	885.0	975.2	1,860.2
1953.....	986.1	832.4	1,818.5
1954.....	1,072.7	869.9	1,942.6
1955.....	1,133.9	766.9	1,900.8
1956.....	1,103.3	832.9	1,936.2
1957.....	1,100.3	728.0	1,828.3
1958.....	1,078.1	861.0	1,939.1
1959.....	959.6 ²	909.6	1,869.2 ²

¹ Does not include \$18,200,000 in U.S. funds borrowed in the U.S. in August 1949 by the Government of Canada and set aside for the purpose of retiring an equal amount of certain securities payable in U.S. dollars on Feb. 1, 1950.
² On Oct. 1, 1959, \$62,500,000 representing the gold portion of Canada's increased quota was transferred to the International Monetary Fund.