

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announced that official fixed foreign exchange rates which had been in effect at varying levels since 1939 would be withdrawn effective Oct. 2, and that the rate would henceforth be determined in the market for foreign exchange. This policy was carried out within the framework of exchange control until Dec. 14, 1951, at which time the Foreign Exchange Control regulations were revoked by the Governor in Council, terminating the period of exchange control that had prevailed in Canada since 1939. The Foreign Exchange Control Act was repealed in 1952. On May 2, 1962, the Minister of Finance announced that the Canadian dollar was being stabilized at a fixed par value of 92½ cents in terms of United States currency. This action was taken with the concurrence of the International Monetary Fund and, in accordance with the Articles of Agreement of that organization, the Government of Canada undertook to maintain the Canadian exchange rate within a margin of 1 p.c. on either side of the established par value.

The movements of the U.S. dollar in Canadian funds from January 1954 to August 1962 are shown in Table 20.

### 20.—Price of the United States Dollar in Canada, by Month, 1954-62

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

| Month                       | 1954         | 1955         | 1956         | 1957         | 1958         | 1959         | 1960         | 1961          | 1962      |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|-----------|
| January.....                | 97.29        | 96.60        | 99.87        | 96.07        | 98.47        | 96.69        | 95.31        | 99.29         | 104.50    |
| February.....               | 96.65        | 97.69        | 99.91        | 95.83        | 98.10        | 97.49        | 95.17        | 98.96         | 104.88    |
| March.....                  | 97.08        | 98.43        | 99.87        | 95.61        | 97.73        | 96.98        | 95.09        | 98.73         | 104.94    |
| April.....                  | 98.25        | 98.62        | 99.68        | 95.97        | 97.06        | 96.35        | 96.29        | 98.89         | 104.98    |
| May.....                    | 98.43        | 98.59        | 99.18        | 95.56        | 96.69        | 96.29        | 97.81        | 98.75         | 108.23    |
| June.....                   | 98.13        | 98.44        | 98.53        | 95.32        | 96.18        | 95.88        | 98.23        | 100.55        | 108.79    |
| July.....                   | 97.44        | 98.46        | 98.18        | 95.09        | 96.00        | 95.74        | 97.84        | 103.41        | 107.89    |
| August.....                 | 97.02        | 98.51        | 98.12        | 94.80        | 96.46        | 95.44        | 96.98        | 103.15        | 107.76    |
| September.....              | 96.97        | 98.78        | 97.77        | 95.92        | 97.68        | 95.16        | 97.25        | 103.08        |           |
| October.....                | 96.98        | 99.53        | 97.32        | 96.47        | 97.07        | 94.77        | 97.85        | 103.03        | ..        |
| November.....               | 96.92        | 99.94        | 96.44        | 96.24        | 96.83        | 95.03        | 97.67        | 103.57        | ..        |
| December.....               | 96.80        | 99.95        | 96.05        | 97.74        | 96.46        | 95.12        | 98.24        | 104.27        | ..        |
| <b>Annual Average .....</b> | <b>97.32</b> | <b>98.63</b> | <b>98.41</b> | <b>95.88</b> | <b>97.06</b> | <b>95.90</b> | <b>96.97</b> | <b>101.32</b> | <b>..</b> |

### 21.—Canada's Official Holdings of Gold and United States Dollars, as at Dec. 31, 1943-61

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   | Year      | Gold               | U.S. Dollars | Total                |
|-----------|-------|--------------------|---------|-----------|--------------------|--------------|----------------------|
| 1943..... | 224.4 | 425.2              | 649.6   | 1953..... | 986.1              | 832.4        | 1,818.5              |
| 1944..... | 293.9 | 608.3              | 902.2   | 1954..... | 1,072.7            | 869.9        | 1,942.6              |
| 1945..... | 353.9 | 1,154.1            | 1,508.0 | 1955..... | 1,133.9            | 766.9        | 1,900.8              |
| 1946..... | 536.0 | 708.9              | 1,244.9 | 1956..... | 1,103.3            | 832.9        | 1,936.2              |
| 1947..... | 286.6 | 215.1              | 501.7   | 1957..... | 1,100.3            | 728.0        | 1,828.3              |
| 1948..... | 401.3 | 596.5              | 997.8   | 1958..... | 1,078.1            | 861.0        | 1,939.1              |
| 1949..... | 486.4 | 630.7 <sup>1</sup> | 1,117.1 | 1959..... | 959.6 <sup>2</sup> | 909.6        | 1,869.2 <sup>2</sup> |
| 1950..... | 580.0 | 1,161.5            | 1,741.5 | 1960..... | 885.3              | 943.9        | 1,829.2              |
| 1951..... | 841.7 | 936.9              | 1,778.6 | 1961..... | 946.2              | 1,109.6      | 2,055.8              |
| 1952..... | 885.0 | 975.2              | 1,860.2 |           |                    |              |                      |

<sup>1</sup> 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.  
<sup>2</sup> On Oct. 1, 1959, \$62,500,000 representing the gold portion of Canada's increased quota was transferred to the International Monetary Fund.