

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 1957 to December 1965 are shown in Table 24.

24.—Price of the United States Dollar in Canada, by Month, 1956-65

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

Month	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
January.....	99.87	96.07	98.47	96.69	95.31	99.29	104.50	107.71	108.02	107.38
February.....	99.91	95.83	98.10	97.49	95.17	98.96	104.88	107.76	108.00	107.58
March.....	99.87	95.61	97.73	96.98	95.09	98.73	104.94	107.80	108.05	108.11
April.....	99.68	95.97	97.06	96.35	96.29	98.89	104.98	107.68	108.09	107.92
May.....	99.18	95.56	96.69	96.29	97.81	98.75	108.23	107.72	108.09	107.96
June.....	98.53	95.32	96.18	95.88	98.23	100.55	108.79	107.82	108.09	108.23
July.....	98.18	95.09	96.00	95.74	97.84	103.41	107.89	107.97	108.13	108.35
August.....	98.12	94.80	96.46	95.44	96.98	103.15	107.76	108.29	107.87	107.84
September.....	97.77	95.92	97.68	95.16	97.25	103.08	107.68	107.98	107.61	107.64
October.....	97.32	96.47	97.07	94.77	97.85	103.03	107.60	107.79	107.53	107.51
November.....	96.44	96.24	96.83	95.03	97.67	103.57	107.68	107.76	107.39	107.49
December.....	96.05	97.74	96.46	95.12	98.24	104.27	107.60	107.93	107.46	107.58
Annual Average.....	98.41	95.88	97.06	95.90	96.97	101.32	106.89	107.85	107.86	107.80

25.—Canada's Official Holdings of Gold and United States Dollars, as at Dec. 31, 1956-65

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
1956.....	1,103.3	832.9	1,936.2	1961.....	946.2	1,109.6	2,055.8
1957.....	1,100.3	728.0	1,828.3	1962.....	708.5	1,830.9	2,539.4 ²
1958.....	1,078.1	861.0	1,939.1	1963.....	817.2	1,777.8	2,595.0 ³
1959.....	959.6 ¹	909.6	1,869.2 ¹	1964.....	1,025.7	1,648.6	2,674.3
1960.....	885.3	943.9	1,829.2	1965.....	1,150.8	1,513.7	2,664.5

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

² Includes the proceeds of a drawing equivalent to U.S. \$300,000,000 which was made from the International Monetary Fund in June 1962 and which was outstanding at year-end; and the amount of Canada's net obligation to the International Monetary Fund was \$276,000,000 at the end of 1962.

³ The amount of Canada's net obligation to the International Monetary Fund was \$196,000,000 at the end of 1963.

Subsection 4.—The Bond Market*

Sales of Canadian Bonds.—Canadian borrowers, both government and corporations, raised a net total of \$2,887,000,000 in the bond market in 1964, a slight increase over the total of \$2,787,000,000 raised in 1963. However, there was a considerable change in the competition of borrowing in the later year. The Government of Canada reduced its borrowing from \$827,000,000 to \$458,000,000, the lowest level since 1957; sharp increases took place in the sales of municipal and corporate bonds; and net sales of provincial bonds were relatively unchanged.

* Prepared in the Business Finance Division of the Dominion Bureau of Statistics, using Bank of Canada figures.