

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 1966 are shown in Table 24.

24.—Price of the United States Dollar in Canada, by Month, 1957-66

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

| Month | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 |
|---------------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| January..... | 96.07 | 98.47 | 96.69 | 95.31 | 99.29 | 104.50 | 107.71 | 108.02 | 107.38 | 107.46 |
| February..... | 95.83 | 98.10 | 97.49 | 95.17 | 98.96 | 104.88 | 107.76 | 108.00 | 107.58 | 107.63 |
| March..... | 95.61 | 97.73 | 96.98 | 95.09 | 98.73 | 104.94 | 107.80 | 108.05 | 108.11 | 107.62 |
| April..... | 95.97 | 97.06 | 96.35 | 96.29 | 98.89 | 104.98 | 107.68 | 108.09 | 107.92 | 107.70 |
| May..... | 95.56 | 96.69 | 96.29 | 97.81 | 98.75 | 108.23 | 107.72 | 108.09 | 107.95 | 107.67 |
| June..... | 95.32 | 96.18 | 95.88 | 98.23 | 100.55 | 108.79 | 107.82 | 108.09 | 108.23 | 107.65 |
| July..... | 95.09 | 96.00 | 95.74 | 97.84 | 103.41 | 107.89 | 107.97 | 108.13 | 108.35 | 107.48 |
| August..... | 94.80 | 96.46 | 95.44 | 96.98 | 103.15 | 107.76 | 108.29 | 107.87 | 107.84 | 107.51 |
| September..... | 95.92 | 97.68 | 95.16 | 97.25 | 103.08 | 107.68 | 107.93 | 107.61 | 107.64 | 107.62 |
| October..... | 96.47 | 97.07 | 94.77 | 97.85 | 103.03 | 107.60 | 107.79 | 107.53 | 107.51 | 107.93 |
| November..... | 96.24 | 96.83 | 95.03 | 97.67 | 103.57 | 107.68 | 107.76 | 107.39 | 107.49 | 108.20 |
| December..... | 97.74 | 96.46 | 95.12 | 98.24 | 104.27 | 107.60 | 107.93 | 107.46 | 107.58 | 108.31 |
| Annual Average..... | 95.88 | 97.06 | 95.94 | 96.97 | 101.32 | 106.89 | 107.85 | 107.86 | 107.80 | 107.73 |

25.—Canada's Official Holdings of Gold and United States Dollars, as at Dec. 31, 1957-66

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 |
|-----------|--------------------|--------------|----------------------|-----------|---------|--------------|----------------------|
| 1957..... | 1,100.3 | 728.0 | 1,828.3 | 1962..... | 708.5 | 1,830.9 | 2,539.4 ² |
| 1958..... | 1,078.1 | 661.0 | 1,939.1 | 1963..... | 817.2 | 1,777.8 | 2,595.0 ² |
| 1959..... | 959.6 ¹ | 909.6 | 1,869.2 ¹ | 1964..... | 1,025.7 | 1,648.6 | 2,674.3 ² |
| 1960..... | 885.3 | 948.9 | 1,834.2 | 1965..... | 1,150.8 | 1,813.7 | 2,964.5 ² |
| 1961..... | 946.2 | 1,109.6 | 2,055.8 | 1966..... | 1,045.6 | 1,190.3 | 2,235.9 ² |

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. The amount of Canada's net obligation to the International Monetary Fund was \$275,700,000 at Dec. 31, 1962 and \$196,000,000 at Dec. 31, 1963. ³ Canada's net creditor position with the International Monetary Fund was \$60,000,000 at Dec. 31, 1964, \$215,900,000 at Dec. 31, 1965 and \$263,500,000 at Dec. 31, 1966.

Subsection 4.—The Bond Market*

Sales of Canadian Bonds.—Canadian borrowers, both government and corporate, raised a net total of \$1,783,000,000 on the bond market in 1965, considerably less than the \$2,839,000,000 raised in 1964. Government revenues rose relative to expenditures, reducing government demands on the market; corporations had an increased need for funds but put greater emphasis on other forms of borrowing.

The Federal Government retired \$52,000,000 of its outstanding securities during 1965. There was a budgetary surplus of \$70,000,000 for the year and non-budgetary cash requirements (primarily for loans and advances) were almost covered by non-budgetary receipts

* Prepared (November 1966) by the Central Classification Research and Development Staff of the Dominion Bureau of Statistics, using data published by the Bank of Canada, and from the Budget Papers, Mar. 29, 1966.