

FOREIGN EXCHANGE RULINGS: Two changes in the rules governing trading in Canadian securities by non-residents have been notified by the Foreign Exchange Control Board to Canadian security dealers.

In future a non-resident may register with the Board any new outright purchase in Canada of Canadian bonds or debentures, which will thus become eligible for subsequent sale in Canada by the non-resident. This privilege has always been extended to non-resident purchases of Canadian stocks and shares but not of securities having a fixed term to maturity. The effect of the change is that a non-resident making a new investment in Canada in any type of marketable Canadian security will be able to re-sell them at any time either in Canada or in the United States. If they are sold in Canada, he will be able to export the Canadian dollars thus realized and convert them to U.S. currency through the unofficial market.

The second change relates to exchanges by non-residents of Canadian securities which are not eligible for outright sale in Canada. Heretofore a non-resident could only acquire a security due to mature within three years, or subject to call within the same period, in exchange for a security due to mature or subject to call within the same space of time. The qualification as to earliest call date, as distinct from maturity, has now been removed in connection with exchanges of non-Government securities payable in Canadian dollars only. As in the past, securities issued or guaranteed by the Government of Canada or any Province can be acquired by non-residents only for cash or in exchange for other securities in the same category.

Many outstanding issues of Canadian corporate securities are callable and have, therefore, been excluded from use in exchanges of securities by non-residents. The terms of issue of callable corporate securities now outstanding are such that, under existing market conditions, few of these securities appear likely to be called for redemption. The "call date" provision is, therefore, of limited practical consequence from the exchange control point of view and its removal will broaden substantially the range of securities in which non-resident investors can trade.

PENSIONS IN NEWFOUNDLAND: The federal Government has just approved an agreement with Newfoundland for the payment of old age and blind pensions the Minister of National Health and Welfare, Mr. Martin, announced on May 6. This agreement is effective from April 1, and under it a pension of \$30 monthly is payable to aged and blind persons who come within the provisions of the federal Old Age Pensions Act.

An Old Age Pensions Act has operated in Newfoundland for many years, and at the date of Confederation approximately 3,000 pensions were being paid under it. With the application

of the federal Old Age Pensions Act from April 1, the amount that these pensioners will receive will be raised to a maximum of \$30 per month, with the federal Government paying 75 per cent and the Province the remainder of the cost. Pensions under the former Newfoundland act were paid at the age of 75 years upon evidence of need. With 70 as the qualifying age in the federal Act and under the specific income ceilings which it provides, it is anticipated that several thousand more persons will be added to the pension rolls, raising the total to approximately 10,000 pensioners in that province.

IRON AND STEEL IMPORTS: Effective May 2, 1949, Canadian importers of structural iron and steel shapes from the United States, classified for Customs purposes under tariff items 388, 388A, 388B, 388C and 388D, will no longer require import permits or tonnage quotas from the Import Control Branch, it was announced on May 6 by the Department of Trade and Commerce. Additional freed items, control of which was announced in October, 1948, are plates; galvanized sheets; pipe, tubes and skelp; and wire.

In view of the general stringency of the steel situation in the United States last October, the Canadian Government in co-operation with United States authorities agreed to limit imports of primary iron and steel. Now that United States producers are once again in a position to export normal quantities of these products, Canadian importers will no longer require import permits or tonnage quotas.

COST-OF-LIVING INDEX: Reversing slightly the downtrend of the two preceding months, Canada's official cost-of-living index moved up one-tenth of a point between March 1 and April 1, from 159.2 to 159.3. At this figure, it was 7.7 points above April 1 last year and three-tenths of a point below the peak level of 159.6.

MOTOR VEHICLE FINANCING: Financing of motor vehicle sales is running well ahead of last year both for new and used cars, the rise in dollar value being somewhat greater in each case than the advance in the number financed. According to the Bureau of Statistics there were 16,700 vehicles financed in March for \$16,180,700 compared with 12,600 units financed for \$11,715,000 in the same month last year.

OLD AGE PENSIONS: Manitoba is the first Province to advise the federal Government of its willingness to sign an agreement providing for an increase in old age pensions in that province, the Minister of National Health and Welfare, Mr. Martin, announced on May 5.

The decision of the Manitoba Government

followed shortly after the passage of an amendment to the federal Old Age Pensions Act, given royal assent on April 30 and brought into force by proclamation on May 1. This means that the higher rate of pension can be effective from May 1 in those provinces that now enter into agreements with the federal Government to provide for the increased rate.

Mr. Martin stated that Alberta had also indicated its intention to take advantage of the increased pension.

He estimated that fully 90 per cent of all persons presently on old age or blind pension would receive the benefit of the higher pension, either wholly or in part.

UNEMPLOYMENT INSURANCE: Increased numbers of claims for unemployment insurance benefits were filed in March as compared with the same month last year, all provinces sharing in the rise with the exception of Alberta. The month's total, however, was below that of February, lower figures being shown for Prince Edward Island, Ontario, Saskatchewan and British Columbia.

Claims filed in Quebec totalled 33,381 as compared with 23,368 a year earlier, Ontario 30,096 compared with 20,736, British Columbia 12,731 compared with 9,981, Nova Scotia 7,433 (5,346), Manitoba 5,931 (4,962), Alberta 5,720 (5,987), New Brunswick 4,985 (3,133), Saskatchewan 2,574 (2,302), and Prince Edward Island 551 (433).

At the end of March there were 185,787 ordinary claimants on the live unemployment register compared with 208,818 at the end of February and 136,356 at March 31, 1948.

RECORD TOTAL CHEQUES CASHED: During the ten years since 1938, the amount of cheques cashed or otherwise paid by the Canadian people has shown an uninterrupted annual increase that is without precedent both in duration and magnitude. Overall advance has been from \$30.9 billion in 1938 to the all-time record total of \$80.7 billion in 1948, a gain of more than 160 per cent.

Financial transactions of this type have traced three main economic cycles since the end of World War 1, according to the annual report on cheques cashed by the Bureau of Statistics. The first period of high prices and active business conditions culminated in 1920, with deflation in the immediately following years, and then a considerable period of recovery. The next peak was in 1929 when cheques cashed totalled \$46.7 billion, a level that was not equalled again until 1943 when transactions reflecting expansion for war purposes amounted to \$53.8 billion. Wartime activity was the main cause of continued expansion until 1945. During the last three years, the replenishment of shortages in consumer goods, the high level of capital forma-

tion on a physical footing and the advance in prices have been the main generating forces in the continued advance in volume of cheques cashed.

By regions, the advance in cheque transactions has varied from the national pattern during the ten-year period. In the Maritimes and Quebec the trend has been steadily upward year by year, the total in 1948 being more than three times that of 1938 in the former region and close to two and a half times in Quebec. In Ontario the totals in 1946 and 1947 were below the 1945 standing, but last year the volume rose to a new peak. The advance in the Prairie Provinces has been more uneven than in the other economic areas, the most marked gain being shown in 1944, while the 1946 total was below 1945 but has been followed by further increases in the last two years. In British Columbia there has been a steady upward trend.

CONSUMER CREDIT TRENDS: The trend toward smaller gains in cash than in credit buying in evidence since the end of the war was maintained in the second half of 1948. Total cash and credit sales of the 10 trades surveyed by the Bureau of Statistics gained 7.8 per cent over the same period of 1947. Cash sales rose 6.6 per cent, instalment sales by 15.1 per cent, and charge account sales by 11.5 per cent.

Overall increases in the latter half of 1948 over the same period of 1947 were smaller than those in the first half. During the first part of the year cash sales were 6.6 per cent above 1947 -- the same as in the last half -- instalment sales jumped 24.4 per cent, while charge account sales at 10.7 per cent were slightly below the increase for the latter half.

Receivables, or accounts outstanding for all trades combined, as calculated from preliminary tabulations, were 20.4 per cent above the 1947 level at the end of 1948. Showing smaller gains over 1947 than the receivables at June 30, 1948, the year-end rise of 20.4 per cent represented a gain of 31.9 per cent in instalment receivables and a gain of 10.4 per cent in charge account receivables.

Four trades transacted less cash business in the latter half of 1948 than during the same period of 1947 while two trades extended less charge account business. Increased instalment sales were registered in all trades during the last half of 1948.

NEWFOUNDLAND'S HOUSEHOLDS: There were approximately 62,000 households in Newfoundland and Labrador at the time of the 1945 Census. Of these, 82 per cent consisted of single families with or without relatives, lodgers, servants, etc. Thirteen per cent consisted of households where two or more families were