

CANADA INCREASES FOREIGN-EXCHANGE RESERVES

Mr. E.J. Benson, Minister of Finance and President of the Treasury Board, recently announced that Canada had borrowed money from the European capital market which, combined with a public offering from the United States, would produce about \$262 million (U.S.) for Canada's foreign-exchange reserves.

Government of Canada notes have been placed with the Italian Exchange Office in a principal amount of 62,500 million lira, consisting of 20,000 million lira of two-year 5½ percent notes, due May 15, 1970; 21,000 million lira of three-year 5 7/8 percent notes, due May 15, 1971; and 21,500 million lira of four-year 6 percent notes, due May 15, 1972. The proceeds of this borrowing, Mr. Benson stated, had been converted into United States dollars totalling about \$100,400,000, which had been added to Canada's foreign-exchange reserves.

GERMAN TRANSACTION

Five-year notes have also been placed by the Canadian Government with the Deutsche Bank AG of Germany in a principal amount of DM 250 million. The new 6¾ percent notes, which are due June 1, 1973, are being offered to European investors at 99½ to yield 6.87

TULIP FESTIVAL

The 1968 Tulip Festival was opened by Prime Minister Trudeau in Ottawa on May 17. The festival, which is the largest in North America, was started after Queen Juliana of the Netherlands presented 100,000 bulbs to Canada in 1946 as a token of her gratitude for the hospitality accorded her and the Dutch Royal Family by the people of Canada during the Second World War. The ceremony was also attended by Public Works Minister George McIlraith and the Netherlands Ambassador to Canada Mr. Th. H. Bot.

FEDERAL-PROVINCIAL HOUSING

The Federal Government and Quebec Government have concluded new administrative arrangements for the approval in principle of housing programmes costing some \$150 million to be undertaken under complementary federal and provincial housing legislation. These programmes, which are intended for families of low income, elderly persons and students, will be undertaken in the province during the 1968-1969 fiscal year.

The agreements, which were signed by H.W. Hignett, President of Central Mortgage and Housing Corporation, and Henri Dion, President of the Quebec Housing Corporation, prescribe the operating techniques to be followed in responding more effectively to the low-rental housing requirements of the Province of Quebec and in taking greater advantage of federal and provincial housing legislation. An essential feature is the submission of annual programmes by

per cent. About \$62 million (U.S.) has been added to Canadian foreign-exchange reserves as a result of this borrowing.

U.S. BOND OFFERING

The public offering, through a group of United States and Canadian underwriters of \$100 million Government of Canada 20-year 6 7/8 percent bonds was also announced by Mr. Benson. These bonds are due in 1988 at 99¾ percent to yield 6.90 percent. They are not redeemable before June 1, 1978, after which date they may be redeemed at the option of the Government in whole or in part, at 102½ percent to and including May 31, 1979, and at decreasing prices thereafter, together with accrued interest. No sinking fund is provided.

The bonds are eligible for exemption from United States interest-equalization tax, and there is no restriction under the U.S. programme for restraint of foreign investment on their purchase or other acquisition by United States investors. Certain institutions are being offered delayed delivery contracts providing for payment and delivery on October 15, 1968, or January 15, 1969.

the Quebec Housing Corporation to Central Mortgage and Housing Corporation.

The responsible federal and provincial ministers said recently in announcing the programme that the "new arrangement had advantages for both organizations". "The Quebec Housing Corporation is now able to select the number of projects it wishes to undertake on an annual basis," they added, "and this should enable the province to embark on its programmes early each year and in the knowledge that funds will be available from the Federal Government. For its part, Central Mortgage and Housing Corporation is able to forecast accurately for budget purposes. We consider the arrangement to be most practicable and satisfactory and we confidently expect that it will be fully effective in providing housing in the Province of Quebec for those whose needs are so urgent."

MUSEUMS WEEK IN CANADA

The national museums of Canada celebrated Canadian Museums Week, May 26 to June 2, with a variety of special displays in Ottawa designed to bring the nature and value of their work vividly before the public.

In the Victoria Memorial Museum building, which houses the National Museum of Man and the National Museum of Natural Sciences, were to be seen Eskimo sealskin and soapstone prints, as well as Eskimo carvings in soapstone, ivory and whalebone; a copy of the Nobel Peace Prize Medal awarded in 1957 to the former Prime Minister of Canada, Mr. L.B. Pearson;