

April, 1938, have been the rise in investments, partly to replace the gold and foreign-exchange holdings transferred to the Foreign Exchange Control Board under the terms of the Exchange Fund Order and Foreign Exchange Acquisition Order, dated Apr. 30, 1940, and the fluctuations in holdings of sterling exchange through which the Bank has temporarily financed Canadian dollar requirements of the Foreign Exchange Control Board.

1.—Liabilities and Assets of the Bank of Canada, Mar. 13, 1935, and Dec. 31, 1942-44
(From the Annual Statements of the Bank of Canada)

| Item | Mar. 13, 1935 | Dec. 31, 1942 | Dec. 31, 1943 | Dec. 31, 1944 |
|---|--------------------|----------------------------|----------------------------|--------------------------------|
| | \$ | \$ | \$ | \$ |
| Liabilities | | | | |
| Capital paid up..... | 4,991,640 | 5,000,000 | 5,000,000 | 5,000,000 |
| Reserve fund..... | Nil | 6,472,953 | 8,041,601 | 10,050,367 |
| Notes in circulation..... | 97,805,665 | 693,617,931 | 874,395,312 | 1,035,972,807 |
| Deposits— | | | | |
| Dominion Government..... | 4,212,200 | 59,617,503 | 34,594,240 | 30,996,674 |
| Chartered banks..... | 151,927,628 | 259,939,056 | 340,195,300 | 401,723,907 |
| Other..... | 277,922 | 19,070,677 | 17,765,520 | 27,683,100 |
| Totals, Deposits..... | 156,417,750 | 338,627,236 | 392,555,560 | 460,403,581 |
| Liabilities payable in sterling, United States and foreign gold currencies..... | | — | — | 172,257,273 ¹ |
| Dividends declared..... | Nil | 112,500 | 112,500 | 112,500 |
| Other liabilities..... | 99,702 | 4,380,594 | 28,149,704 | 3,589,769 |
| Totals, Liabilities..... | 259,314,757 | 1,048,211,214 | 1,308,254,677 | 1,687,386,097 |
| Assets | | | | |
| Reserves (at market values)— | | | | |
| Gold coin and bullion..... | 106,584,356 | 2 | 2 | 2 |
| Silver bullion..... | 986,363 | Nil | Nil | Nil |
| Sterling and U.S.A. dollars..... | 394,875 | 499,192 | 558,336 | 172,257,273 |
| Totals, Reserves..... | 107,965,594 | 499,192² | 558,336² | 172,257,273² |
| Subsidiary coin..... | 297,335 | 55,547 | 134,046 | 247,351 |
| Advances to chartered and savings banks..... | Nil | 1,250,000 | Nil | Nil |
| Investments (at not exceeding market values)— | | | | |
| Dominion and Provincial Government short-term securities..... | 34,346,294 | 807,227,340 | 787,573,136 | 906,908,378 |
| Other Dominion and Provincial Government securities..... | 115,013,637 | 209,173,382 | 472,797,116 | 573,917,491 |
| Other securities—at cost..... | — | — | — | 10,000,000 ¹ |
| Totals, Investments..... | 149,859,931 | 1,016,400,722 | 1,260,375,252 | 1,490,825,869 |
| Bank premises..... | Nil | 2,108,476 | 1,968,499 | 1,817,950 |
| All other assets..... | 1,191,897 | 27,897,277 | 45,218,544 | 22,237,653 |
| Totals, Assets..... | 259,314,757 | 1,048,211,214 | 1,308,254,677 | 1,687,386,096 |

¹ Not shown prior to 1944.

² The Exchange Fund Order, 1940, authorized the transfer of the Bank's gold holdings to the Foreign Exchange Control Board and temporarily suspended the requirement for a minimum gold reserve.

Subsection 4.—The Industrial Development Bank

The Industrial Development Bank was incorporated by Act of Parliament during 1944, commencing its banking operations on Nov. 1, 1944. This Bank was established to perform certain functions which the preamble to the Act of incorporation describes in the following terms:—

“To promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises.”