

The Industrial Development Bank is a subsidiary of the Bank of Canada. Its Directors are the Directors and Assistant Deputy Governor of the Bank of Canada and its President is the Governor of the Bank of Canada. The \$25,000,000 capital stock of the Bank of which \$10,000,000 is now paid up, was subscribed by the Bank of Canada. The Industrial Development Bank may also raise funds by the issue of bonds and debentures provided that its total direct liabilities and contingent liabilities in the form of guarantees and underwriting agreements do not exceed three times the aggregate of the Bank's paid-up capital and Reserve Fund.

The lending powers of the Bank may be extended only to industrial enterprises in Canada with respect to which it is empowered to:—

- (1) Lend money or guarantee loans.
- (2) Enter into underwriting agreements with regard to any issue of stock, bonds or debentures.
- (3) Acquire stock, bonds or debentures from the issuing corporation or any person with whom the Bank has entered into an underwriting agreement.

The Bank may accept any form of collateral security against its advances, including real property.

The Industrial Development Bank is intended to supplement the activities of other lending agencies rather than to compete with them and the Act of incorporation requires that it should extend credit only when the Board of Directors is of the opinion that similar credit would not be available elsewhere on reasonable terms and conditions. The Bank is specifically prohibited from engaging in the business of deposit banking.

The monthly statement of assets and liabilities of the Bank shows that as at June 30, 1945, there were total loans and investments (excluding Government securities) of \$467,431 representing the amount actually disbursed by the Bank up to that date; the total amount of such loans authorized by the Bank was \$2,424,050.

## Section 3.—Currency

### Subsection 1.—Canadian Coinage\*

The present standard of Canada is gold of 900 millesimal fineness (23·22 grains of pure gold equal to one gold dollar). Under the Uniform Currency Act of 1871, gold coin has been authorized but only very limited issues were ever made. The British sovereign and half-sovereign, and United States eagle, half-eagle and double-eagle are legal tender. Subsidiary coin consists of 50-, 25- and 10-cent silver pieces, † 800 fine (reduced from 925 fine in 1920). Such subsidiary silver coin is legal tender to the amount of ten dollars. The 5-cent piece is legal tender up to five dollars and the 1-cent bronze coin up to twenty-five cents. There is no provision for the redemption of subsidiary coin. A table at p. 807 of the 1941 Year Book gives particulars of weight, fineness, etc., of current coins.

\* Revised by the Royal Canadian Mint, Ottawa.

† The Currency Act of 1910 made provision for a silver dollar and a 5-cent silver coin. The former was not coined until 1935, when a limited issue was made as a jubilee coin. The 5-cent silver coin was coined freely until 1921. It still has limited legal tender but has been replaced in the coinage by the nickel 5-cent piece. In 1942 a new 5-cent piece was coined from 'tombac', a copper-zinc alloy, in order to conserve nickel for war purposes, and this coin was replaced in 1944 by a 5-cent coin composed of mild steel with a chromium finish.