

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, 1944-46**  
(From the Annual Statements of the Bank of Canada)

Item	Mar. 13, 1935	Dec. 31, 1944	Dec. 31, 1945	Dec. 31, 1946
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Liabilities</b>				
Capital paid up.....	4,991,640	5,000,000	5,000,000	5,000,000
Reserve fund.....	Nil	10,050,367	10,050,367	10,050,367
Notes in circulation.....	97,805,665	1,035,972,607	1,129,099,247	1,186,201,681
<b>Deposits—</b>				
Federal Government.....	4,212,200	30,996,574	175,838,826	81,468,167
Chartered banks.....	151,927,628	401,723,907	521,209,383	565,469,559
Other.....	277,922	27,683,100	29,770,378	93,800,975
Totals, Deposits.....	156,417,750	460,403,581	726,818,587	740,738,701
Liabilities payable in sterling, United States and foreign gold currencies.....	1	172,257,273	156,829,962	960,131
Dividends declared.....	Nil	112,500	112,500	112,500
Other liabilities.....	99,702	3,589,769	3,975,966	5,552,901
<b>Totals, Liabilities.....</b>	<b>259,314,757</b>	<b>1,687,386,097</b>	<b>2,031,886,629</b>	<b>1,948,616,281</b>
<b>Assets</b>				
<b>Reserves (at market values)—</b>				
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	172,257,273	156,829,962	960,131
Totals, Reserves.....	107,965,594	172,257,273 <sup>2</sup>	156,829,962 <sup>2</sup>	960,131 <sup>2</sup>
Subsidiary coin.....	297,335	247,351	339,157	345,465
<b>Investments (at not exceeding market values)—</b>				
Federal and Provincial Government short-term securities.....	34,846,294	906,908,378	1,157,312,459	1,197,436,208
Other Federal and Provincial Government securities.....	115,013,637	573,917,491	688,270,178	708,164,801
Other securities—at cost.....	1	10,000,000	10,000,000	15,000,000
Totals, Investments.....	149,859,931	1,490,825,869	1,855,582,637	1,920,601,009
Bank premises.....	Nil	1,817,950	1,884,018	2,438,215
All other assets.....	1,191,897	22,237,653	17,250,855	24,271,461
<b>Totals, Assets.....</b>	<b>259,314,757</b>	<b>1,687,386,096</b>	<b>2,031,886,629</b>	<b>1,948,616,281</b>

<sup>1</sup> Not shown prior to 1944.

<sup>2</sup> 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.”