

been (a) 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 (b) 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, 1945-47

(From the Annual Statements of the Bank of Canada)

| Item | Mar. 13, 1935 | Dec. 31, 1945 | Dec. 31, 1946 | Dec. 31, 1947 |
|---|--------------------|--------------------------|----------------------|------------------------|
| | \$ | \$ | \$ | \$ |
| Liabilities | | | | |
| Capital paid up..... | 4,991,640 | 5,000,000 | 5,000,000 | 5,000,000 |
| Rest fund..... | Nil | 10,050,367 | 10,050,367 | 10,050,367 |
| Notes in circulation..... | 97,805,665 | 1,129,099,247 | 1,186,201,681 | 1,211,350,386 |
| Deposits— | | | | |
| Federal Government..... | 4,212,200 | 175,838,826 | 81,468,167 | 37,607,699 |
| Chartered banks..... | 151,927,628 | 521,209,383 | 565,469,559 | 536,161,793 |
| Other..... | 277,922 | 29,770,378 | 93,800,975 | 67,523,489 |
| Totals, Deposits..... | 156,417,750 | 726,818,587 | 740,738,701 | 691,292,981 |
| Liabilities payable in sterling, United States and foreign gold currencies..... | Nil | 156,829,962 | 960,131 | 1,978,667 |
| Dividends declared..... | " | 112,500 | 112,500 | 112,500 |
| Other liabilities..... | 99,702 | 3,975,966 | 5,552,901 | 5,435,578 |
| Totals, Liabilities..... | 259,314,757 | 2,031,886,629 | 1,948,616,281 | 1,925,220,479 |
| Assets | | | | |
| Reserves (at market values)— | | | | |
| Gold coin and bullion..... | 106,584,356 | 1 | 1 | 1 |
| Silver bullion..... | 986,363 | Nil | Nil | Nil |
| Sterling and U.S.A. dollars..... | 394,875 | 156,829,962 | 960,131 | 1,958,591 |
| Other currencies..... | Nil | Nil | Nil | 226,483 |
| Totals, Reserves..... | 107,965,594 | 156,829,962 ¹ | 960,131 ¹ | 2,185,074 ¹ |
| Subsidiary coin..... | 297,335 | 339,157 | 345,465 | 131,437 |
| Investments (at not exceeding market values)— | | | | |
| Federal and Provincial Government short-term securities..... | 34,846,294 | 1,157,312,459 | 1,197,436,208 | 1,022,024,822 |
| Other Federal and Provincial Government securities..... | 115,013,637 | 688,270,178 | 708,164,801 | 857,529,340 |
| Totals, Investments..... | 149,859,931 | 1,845,582,637 | 1,905,601,009 | 1,879,554,162 |
| Industrial Development Bank capital stock... | — | 10,000,000 | 15,000,000 | 25,000,000 |
| Bank premises..... | Nil | 1,884,018 | 2,438,215 | 2,341,722 |
| All other assets..... | 1,191,897 | 17,250,855 | 24,271,461 | 16,008,084 |
| Totals, Assets..... | 259,314,757 | 2,031,886,629 | 1,948,616,281 | 1,925,220,479 |

¹ 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, a subsidiary of the Bank of Canada, was incorporated by Act of Parliament during 1944, commencing its banking operations on Nov. 1, 1944. Its functions are described in the preamble to the Act as follows:—

“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.”