

banks. The principal changes in Bank of Canada assets since April, 1938, have 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.—Assets and Liabilities of the Bank of Canada, Mar. 13, 1935, and Dec. 31, 1947-49

SOURCE: Annual Statements of the Bank of Canada.

Item	Mar. 13, 1935	Dec. 31, 1947	Dec. 31, 1948	Dec. 31, 1949
Assets				
Reserves (at market values)—				
Gold coin and bullion.....	106,584,356	1	1	1
Silver bullion.....	986,363	—	—	—
Sterling and U.S.A. dollars.....	394,875	1,958,591	419,634	74,135,541
Other currencies.....	—	226,483	53,208	45,380
Totals, Reserves.....	107,965,594	2,185,074 ¹	472,842 ¹	74,180,921 ¹
Subsidiary coin.....	297,335	131,437	107,283	131,325
Investments (at not exceeding market values)—				
Government of Canada and Provincial Government short-term securities.....	34,846,294	1,022,024,822	1,233,675,519	1,781,412,576
Other Government of Canada and Provincial Government securities.....	115,013,637	857,529,340	779,070,636	227,818,490
Other securities.....	—	—	—	5,500,000
Totals, Investments.....	149,859,931	1,879,554,162	2,012,746,155	2,014,731,066
Industrial Development Bank capital stock..	—	25,000,000	25,000,000	25,000,000
Bank premises.....	—	2,341,722	2,532,498	3,649,273
All other assets.....	1,191,897	16,008,084	17,750,812	8,189,042
Totals, Assets.....	259,314,757	1,925,220,479	2,058,609,590	2,125,881,627
Liabilities				
Capital paid up.....	4,991,640	5,000,000	5,000,000	5,000,000
Reserve fund.....	—	10,050,367	10,050,367	10,050,367
Notes in circulation.....	97,805,665	1,211,350,386	1,289,080,333	1,307,424,146
Deposits—				
Government of Canada.....	4,212,200	87,607,699	117,174,107	51,098,502
Chartered banks.....	151,927,628	536,161,793	547,345,654	541,714,005
Other.....	277,922	67,523,489	81,009,500	126,933,228
Totals, Deposits.....	156,417,750	691,292,981	745,529,261	719,745,735
Liabilities payable in sterling, United States and foreign gold currencies.....	—	1,978,667	419,634	79,635,541
Dividends declared.....	—	112,500	112,500	112,500
Other liabilities.....	99,702	5,435,578	8,417,495	3,913,338
Totals, Liabilities.....	259,314,757	1,925,220,479	2,058,609,590	2,125,881,627

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.”