**The Federal Business Development Bank** was established by an Act of Parliament in 1974 as a federal Crown corporation to succeed the Industrial Development Bank. Under the act, which came into force in October 1975, FBDB assists in the establishment and development of business enterprises in Canada by providing them with financial and management services. It supplements such services available from other sources and it gives particular attention to the needs of smaller businesses.

The Board of Directors of the bank consists of the President, four persons from the public service of Canada, and 10 persons from outside the public service of Canada. The authorized capital is $200 million and the bank may also raise funds by the issue and sale of debt obligations provided that its total direct and contingent liabilities shall not exceed 10 times its capital. Assets and liabilities of FBDB are given in Table 19.3.

FBDB extends financial assistance in various forms to new or existing businesses of almost every type in Canada which are unable to obtain required financing from other sources on reasonable terms and conditions. To qualify for FBDB financing, a business should have investment in it by other lenders which should reasonably ensure their continuing commitment to the business and the business should reasonably be expected to prove successful.

The bank's management counselling service known as Counselling Assistance to Small Enterprises (CASE) assists small businesses to improve their methods of doing business. This service, which supplements counselling services available from the private sector, makes available the experience of retired business persons.

To help improve management skills in small businesses, FBDB conducts management training seminars in smaller cities and towns across Canada. The bank also publishes booklets on a wide range of topics pertaining to the management of small business in Canada and provides information about assistance programs for small business.

The FBDB has 88 branches across Canada located in the following centres: St. John's, Grand Falls, Corner Brook, Sydney, Truro, Halifax, Bridgewater, Charlottetown, Moncton, Fredericton, Saint John, Bathurst, Sept-Îles, Rimouski, Chicoutimi, Quebec, Lévis, Sherbrooke, Granby, Trois-Rivières, Drummondville, Longueuil, St-Léonard, Montreal (2), St-Laurent, Valleyfield, St-Jérôme, Ottawa, Hull, Rouyn-Noranda, Kingston, Oshawa, Scarborough, Toronto (2), Etobicoke, Oakville, Barrie, St. Catharines, Hamilton, Kitchener-Waterloo, Owen Sound, Stratford, London, Chatham, Windsor, Woodstock, Timmins, Sudbury, Sault Ste Marie, Thunder Bay, Kenora, Winnipeg, Brandon, Regina, Saskatoon, Prince Albert, Lethbridge, Calgary (2), Red Deer, Edmonton (3), Grande Prairie, Yellowknife, Whitehorse, Cranbrook, Kelowna, Kamloops, Williams Lake, Chilliwack, Prince George, Terrace, Abbotsford, Langley, New Westminster, Burnaby, North Vancouver, Vancouver (2), Richmond, Campbell River, Nanaimo and Victoria.

## 19.1.2 Currency

The development by which bank notes became the chief circulating medium in Canada prior to 1935 is described in the *1938 Canada Year Book* pp 900-905. Those features of the development which then became permanent are outlined in the *1941 Canada Year Book* pp 809-810.

When the Bank of Canada commenced operations in 1935 it assumed liability for Dominion notes outstanding. These were replaced in public circulation and partly replaced in cash reserves by the central bank's legal tender notes in denominations of $1, $2, $5, $10, $20, $50 and $100. Deposits of chartered banks at the Bank of Canada completed the replacement of the old Dominion notes of $1,000 to $50,000 denomination that had previously been used as cash reserves. The chartered banks were required under the Bank Act of 1934 to reduce gradually the issue of their own bank notes during the years 1935-45 to an