Source	1954-55	1955-56	1956-57	1957-58
Bank of Canada	$ 41,500,000	$ 38,300,000	$ 89,900,000	$ 68,700,000
Exchange Fund Account	10,900,000	10,800,000	17,400,000	22,900,000
Canadian National Railways	4,100,000	11,900,000	30,800,000	12,500,000
Central Mortgage and Housing Corporation	16,200,000	18,500,000	17,500,000	18,200,000
Polymer Corporation Limited	3,300,000	5,000,000	6,000,000	4,000,000
Eldorado Mining and Refining Limited		2,500,000		3,500,000
Other Crown corporations	12,300,000	8,800,000	8,900,000	7,600,000
Loans to national governments	34,800,000	33,500,000	10,300,000	10,100,000
Other investments, deposits, etc.	2,900,000	11,700,000	16,600,000	12,600,000
Miscellaneous .	8,000,000	8,300,000	9,200,000	9,300,000
	$ 134,000,000	$ 149,300,000	$ 206,600,000	$ 169,400,000

Mr. BELL (*Carleton*): I wonder if Mr. Sellar would outline the nature of the inner reserves of the Bank of Canada referred to here the date on which the amortized cost was valued for the holdings of government securities, and also what the previous basis was? He might also give us some idea of the significance to the Bank of Canada and also the government of Canada of this change in the basis of valuation.

Mr. SELLAR: May I answer Mr. Bell's question by reading a paragraph of the Bank of Canada report, using their own language. This is taken from the report of the Bank of Canada to the House of Commons for the year 1956. It is on page 78 of the report. The quotation is:

> The previous practice of the bank was to carry government securities in its published statements at values not exceeding market prices. This was accomplished by setting aside out of profits certan amounts by way of inner reserves, which were deducted from the value of the securities as carried in the bank's basic account records; the resulting lower values were those published in the bank's weekly and monthly statements. Because of the possibility of fluctuations in market prices the inner reserves were, over the years, built up to large proportions, and consequently the bank's securities were carried at published values substantially below cost.

Mr. BELL (*Carleton*): What date was the actual change made in the method of valuation?