

INDUSTRIAL DEVELOPMENT BANK

The Industrial Development Bank is a subsidiary of the Bank of Canada. It was created in 1944. It has an authorized capital of 25 million dollars, subscribed by the Bank of Canada. The administration of the Bank is in the hands of the Board of Directors and of an executive committee, whose personnel is the same as that of the Bank of Canada, namely: the Governor, the Deputy Governor, one director of the Bank of Canada, and, ex officio member without vote, the Deputy Minister of Finance.

Functions of the Industrial Development Bank

The function of the Bank is to extend financial assistance to industrial enterprises in Canada where, in the opinion of the Bank, credit would not be otherwise available on reasonable terms and where the amount of capital invested in the enterprise affords reasonable protection to the Bank. It has no deposit or checking facilities.

There is no sharp division between the field where credit is available from other sources and that in which the Industrial Development Bank operates. The credits authorized by the Bank, however, have mostly been for longer periods than normally granted commercial banks, and for amounts not large enough to warrant the cost of a public issue of securities. The rate of interest is 5 per cent per annum.

It is expected that the Bank will be able to assist in the reconversion of Canada's war economy to peacetime uses, the creation of new industries, and the extension of existing plants.

The President of the Industrial Development Bank submits an annual report and a statement of accounts to the Minister of Finance for tabling in Parliament.

The Tariff Board

Established in 1931, the Tariff Board's functions, in respect of goods produced in or imported into Canada, are to inquire into:

- a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation of raw materials to the point of consumption;
- b) the cost of efficient production in Canada and elsewhere, and to determine what increase or decrease in rates of duty is required to equalize differences in the cost of efficient production;
- c) the prices received by producers, manufacturers, wholesale dealers, retailers and other distributors in Canada and elsewhere;
- d) all conditions and factors which enter into the cost of production and the price to consumers in Canada;
- e) all conditions affecting production, manufacture, cost and price in Canada as compared with other countries.

The Board operates under the direction of the Minister of Finance. It also sits in appeal in cases where an importer is not satisfied with the rate of duty that he has been called upon to pay on imported goods. The Board also deals with appeals against rulings of the Department of National Revenue respecting value for duty, sales tax, and similar matters.

The Tariff Board reports to the Minister of Finance, who tables its reports in Parliament.