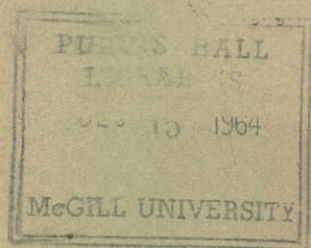


*idb* **INDUSTRIAL  
DEVELOPMENT BANK**

**REPORT OF THE PRESIDENT AND  
STATEMENT OF ACCOUNTS  
FISCAL YEAR**

**1964**









***idb* INDUSTRIAL  
DEVELOPMENT BANK**

HEAD OFFICE

OTTAWA

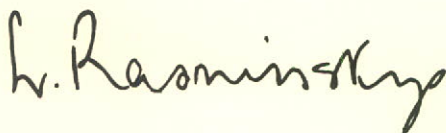
December 9th, 1964

The Hon. Walter L. Gordon, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1964, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. Rasminsky". The signature is fluid and cursive, with a large initial "L" and a stylized "R".

President.



# Highlights

## Amounts of loans at September 30, 1964:

(millions of dollars)

Outstanding.....	223.7
Undisbursed.....	39.7
	<hr/>
	263.4
	<hr/>

## Number of customers at fiscal year-end:

Fiscal 1948.....	404
Fiscal 1952.....	584
Fiscal 1956.....	819
Fiscal 1960.....	1,966
Fiscal 1964.....	6,027

## Number of loans approved in fiscal year:

Fiscal 1948.....	204
Fiscal 1952.....	165
Fiscal 1956.....	349
Fiscal 1960.....	740
Fiscal 1964.....	2,083

## Amount of loans approved in fiscal year:

(millions of dollars)

Fiscal 1948.....	11.7
Fiscal 1952.....	11.5
Fiscal 1956.....	39.4
Fiscal 1960.....	38.6
Fiscal 1964.....	88.1



# ***idb* INDUSTRIAL DEVELOPMENT BANK**

## TWENTIETH ANNUAL REPORT OF THE PRESIDENT—1964

September 30th, 1964 marked the completion of twenty fiscal years of operation by the Industrial Development Bank. When the Bank was created by Parliament in late 1944, it was one of the first organizations of its kind in the world; since then a great number of other countries have established development banks of one kind or another.

Since its inception, the Bank has authorized over 12,000 loans to Canadian businesses — of which no less than half were during the past 3 years. In amount, these 12,000 IDB loans totalled over \$600,000,000. At the 1964 fiscal year-end, the Bank had loans outstanding or in course of disbursement totalling \$263,000,000 to 6,000 business undertakings comprising individuals, firms and incorporated businesses.

Following the initial surge of loans to businesses which became eligible for IDB loans for the first time when the Act was broadened in 1961, some temporary decline was to be expected. This decline was, however, small; the number of loans made in fiscal years 1961 to 1964 inclusive were:

1961.....	1,365
1962.....	2,085
1963.....	1,986
1964.....	2,083

By the second half of 1964 the rate of lending had risen to a new record level.

In addition to term loans, other kinds of financing are within the scope of the Bank's powers and can be considered in suitable cases, including the guarantee of loans from other sources, direct purchase of a company's capital stock, underwriting agreements, etc. It has been the Bank's experience to date, however, that few financing proposals of these types are received from applicants; in fiscal 1964, nine financing arrangements other than by way of term loans were approved, bringing



total approvals for financing of all kinds to 2,092, higher in the aggregate than for any previous year.

Loans approved in fiscal 1964 ranged in amount from less than \$5,000 to over \$1,000,000. As in past years, most loans were for amounts of \$25,000 or less:

	Fiscal 1962		Fiscal 1963		Fiscal 1964	
Size of loans	No.	%	No.	%	No.	%
\$25,000 or less . . . . .	1,057	51%	1,093	55%	1,140	55%
\$25,001 to \$100,000 . . . .	866	41	779	39	808	39
Over \$100,000 . . . . .	162	8	114	6	135	6
	<u>2,085</u>	<u>100%</u>	<u>1,986</u>	<u>100%</u>	<u>2,083</u>	<u>100%</u>
Average size of loan (\$000)	44		40		42	

A detailed classification of loan approvals by size appears on pages 14 and 15.

Due to the growth of lending by the Bank in the last four years, the amount of loan repayments has been steadily increasing: repayments totalled \$46,000,000 in fiscal 1964, \$8,000,000 more than in the previous year.

## TYPES OF BUSINESSES

A classification of loan approvals in fiscal 1964 by type of business is given below; more detailed figures of numbers of loans and amounts may be found on pages 16 and 17.

	Fiscal 1964	
	Number	Amount
Manufacturing . . . . .	35%	48%
Wholesale and retail trade . . . . .	21	15
Personal services (including restaurants, motels, laundries, etc.) . . . .	14	11
Agriculture . . . . .	10	7
Construction . . . . .	6	5
Transportation and storage . . . . .	4	6
Recreation services . . . . .	3	3
Other . . . . .	7	5
	<u>100%</u>	<u>100%</u>



The classification "Agriculture" included 201 loans to individuals and enterprises engaged in a variety of agricultural activities:

	Number	Amount
Poultry and egg production.....	30%	31%
Raising of livestock.....	22	19
Specialty farms (includes fur-bearing animals, greenhouse and nursery products).....	14	16
Field crops.....	12	13
Other.....	22	21
	<u>100%</u>	<u>100%</u>

## CUSTOMERS' PROGRAMMES

Loans amounting to \$88,000,000 made by IDB in fiscal 1964 helped finance customers' programmes totalling \$119,300,000. As in previous years, the chief purpose for which businesses obtained loans from the IDB was to finance the acquisition of fixed assets.

Fiscal 1964

	Millions of dollars	Per cent of total
Land and buildings.....	\$ 46.9	39.3%
Machinery and equipment.....	34.9	29.3
Increase in working capital.....	18.4	15.4
Refinancing of realty mortgages.....	4.8	4.0
Refinancing of suppliers' liens on equipment.....	1.6	1.3
Refinancing of other liens on equipment.....	1.9	1.6
Refinancing of other obligations.....	3.7	3.1
Financing of changes in ownership.....	5.6	4.7
All other purposes.....	1.5	1.3
	<u>\$119.3</u>	<u>100.0%</u>

## ORGANIZATION

In May, 1964, a branch office was opened in Rimouski, with a view to making the Bank's services more readily available to businesses in the lower St. Lawrence and Gaspé Peninsula area. Including a sub-branch at Sherbrooke, which is open on a regular basis certain days of the month, the Bank now has twenty-five branch offices across the country. IDB offices are listed on pages 20 and 21.



In keeping with the IDB's objective of making its facilities available to businesses anywhere in Canada, representatives of the Bank periodically make visits, advertised in advance, to many localities not having an IDB office, for the purpose of interviewing prospective customers. In fiscal 1964, considerably increased emphasis was placed on this aspect of the Bank's activities; in the past year 226 advertised visits were made to 105 localities.

Operations of the Bank are now decentralized to the point where the decision with respect to over 80% of the number of loans approved in the last year was taken at local branches or at regional offices. This has helped in bringing about a further reduction in processing time for loan applications, a matter in which the Bank is constantly striving for improvement. The Bank wants to give prospective borrowers a decision on an application as rapidly as possible, and among the continuing difficulties to be overcome is the frequent problem of obtaining quickly from a borrower adequate financial and other information on which the Bank can base a sound decision.

One of the key factors in the ability of the Bank to carry out its functions effectively is the calibre of its staff who have again rendered the organization loyal, capable and imaginative service. The broadening of the IDB Act in 1961 made it necessary to add considerably to the staff in 1961-62 but the additional staff engaged at that time have now reached a level of training and experience which made it practicable in fiscal 1964 to deal with the new applications received, and to administer our growing volume of existing loan accounts, with about the same level of staff as in the previous year. At the 1964 fiscal year-end, the staff numbered 292 men and 212 women — a total of 504.

## FINANCIAL STATEMENTS

The year-end balance sheets, and the statements of income, expense and profit, for fiscal years 1963 and 1964 appear on pages 8-10.

During fiscal 1964, IDB obtained funds from the following sources to provide for the increase in outstanding loans and other assets as shown on the September 30th, 1964 balance sheet:

Increase in outstanding debentures.....	\$20,500,000
Increase in issued share capital.....	2,000,000
Fiscal 1964 net profit less net write-offs of bad debts.....	1,665,000
	<hr/>
	\$24,165,000
	<hr/>



Debentures now account for 75 per cent of the Bank's loanable funds; share capital and accumulated profits provide the balance. As the IDB Act provides, the additional share capital has been subscribed by the Bank of Canada, which has also purchased all the debentures issued by the IDB.

Income, expense and profit for fiscal 1964 together with comparative figures for the previous few years are summarized below:

	Fiscal 1960	Fiscal 1961	Fiscal 1962	Fiscal 1963	Fiscal 1964
	(thousands of dollars)				
Income.....	6,463	7,424	9,692	12,629	14,660
Less: Operating expenses ....	1,993	2,779	4,141	4,651	4,906
Cost of debentures.....	2,474	3,008	4,486	6,556	7,891
Net income before provision for losses.....	1,996	1,637	1,065	1,422	1,863
Less provision for bad and doubtful debts.....	488	444	650	729	998
Balance transferred to Reserve Fund.....	1,508	1,193	415	693	865

The increase in operating expenses between 1960 and 1962 reflected the sharp increase in staff and branches and associated training programmes undertaken to cope with the surge of business which followed the revision of the IDB Act in 1961. The growth in costs inevitably preceded the expansion of the volume of business on the books of the Bank, and its earnings declined from 1960 to 1962, but an upward trend in the Bank's net income began again in 1963 and was continued in 1964.

The standard rate of interest normally charged on new loans has remained unchanged during the past two years at 7 per cent.

During fiscal 1964, loan balances totalling \$227,000 were written off against the Reserve for Losses built up in prior years, and \$29,000 previously written off was recovered. The Reserve for Losses Account was increased from \$3.7 million at September 30, 1963 to \$4.5 million at September 30, 1964; the latter amount represents 1.71% of loans outstanding or committed at the end of the period.

The net profit of \$865,000 remaining after the appropriation to the Reserve for Losses was added to the Reserve Fund, raising it to \$17,483,000.



***idb* INDUSTRIAL  
DEVELOPMENT BANK**

*Statement of*

ASSETS	1964	1963
Cash on hand and deposits with other banks . . . .	\$ 16,147	\$ 17,831
Loans and investments . . . . .	\$224,228,435	
Accrued interest (1963 - \$910,931) . . . . .	1,085,826	225,314,261
Property held for sale (including agreements for sale) . . . . .	213,285	201,802,591
Guarantees and underwriting agreements (as per contra) . . . . .	36,475	96,649
Unamortized discount and premium on debentures . . . . .	3,392,651	20,000
Other assets . . . . .	437,786	2,213,545
	<u>\$229,410,605</u>	<u>\$204,570,345</u>

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT



# Assets and Liabilities as at September 30, 1964

WITH COMPARATIVE FIGURES AS AT SEPTEMBER 30, 1963

LIABILITIES	1964	1963
Capital —		
Authorized		
500,000 shares par value \$100 each		
Issued and paid up		
350,000 shares (1963 — 330,000 shares) . . . .	\$ 35,000,000	\$ 33,000,000
Reserve fund . . . . .	17,483,262	16,618,446
Reserve for losses . . . . .	4,500,000	3,700,000
Debentures outstanding . . . . . \$168,100,000		
Accrued interest		
(1963 — \$3,290,000) . . . . . 3,787,250	171,887,250	150,890,000
Liabilities under guarantees and underwriting agreements . . . . .	36,475	20,000
Other liabilities . . . . .	503,618	341,899
	<u>\$229,410,605</u>	<u>\$204,570,345</u>

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1964 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1964 according to the best of our information and as shown by the books of the bank.

T. C. KINNEAR, F.C.A.  
of Price Waterhouse & Co.

H. MARCEL CARON, C.A.  
of Clarkson, Gordon & Cie.

Ottawa, November 4, 1964.



# ***idb* INDUSTRIAL DEVELOPMENT BANK**

## *Statement of Income, Expense and Profit for the year ended September 30, 1964*

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED SEPTEMBER 30, 1963

	(\$000)	(\$000)
	1964	1963
<b>INCOME</b>		
Interest . . . . .	\$14,232	\$12,240
Profit on sale of investments . . . . .	14	15
Sundry . . . . .	414	374
	<u>\$14,660</u>	<u>\$12,629</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> . . . . .	\$ 3,310	\$ 3,135
Pension fund, unemployment insurance and group insurance . . . . .	220	232
Other staff expenses <sup>(2)</sup> . . . . .	48	43
Investigation and supervision expenses . . . . .	80	82
Travel and transfer expenses . . . . .	113	130
Rental and other costs — leased premises . . . . .	522	435
Depreciation on equipment . . . . .	73	68
Advertising . . . . .	101	85
Other public information <sup>(3)</sup> . . . . .	38	39
Telephone and telegrams . . . . .	124	117
Office supplies and expenses . . . . .	173	173
Directors' fees . . . . .	12	12
Auditors' fees and expenses . . . . .	16	17
All other operating expenses . . . . .	76	83
Total operating expenses . . . . .	<u>\$ 4,906</u>	<u>\$ 4,651</u>
Interest on debentures (including amortization of discount and premium) . . . . .	7,891	6,556
Provision for bad and doubtful debts . . . . .	998	729
	<u>\$13,795</u>	<u>\$11,936</u>
Profit transferred to reserve fund . . . . .	<u>\$ 865</u>	<u>\$ 693</u>

(1) The number of staff averaged 505 in 1964 and 495 in 1963.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

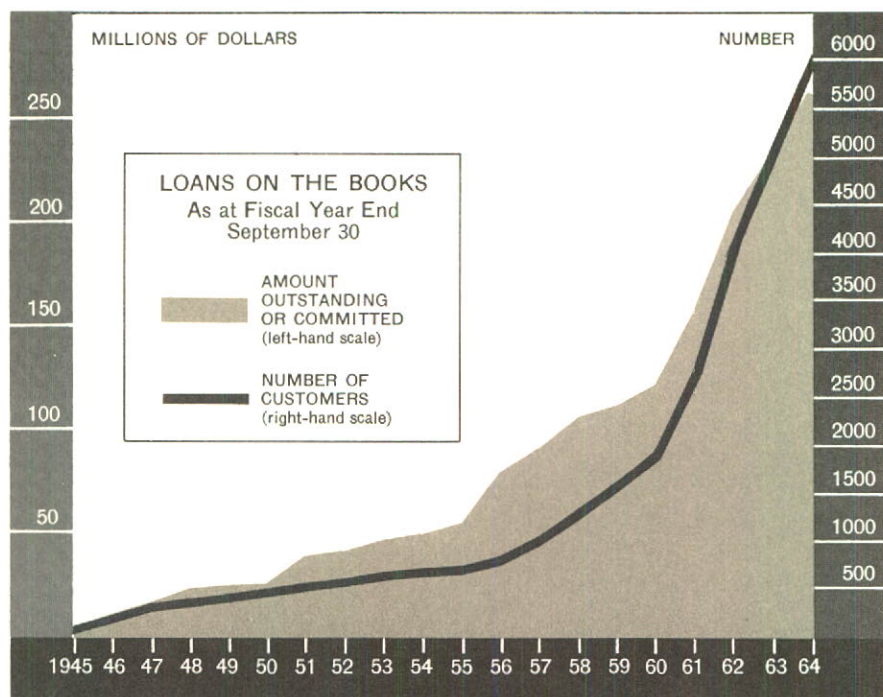
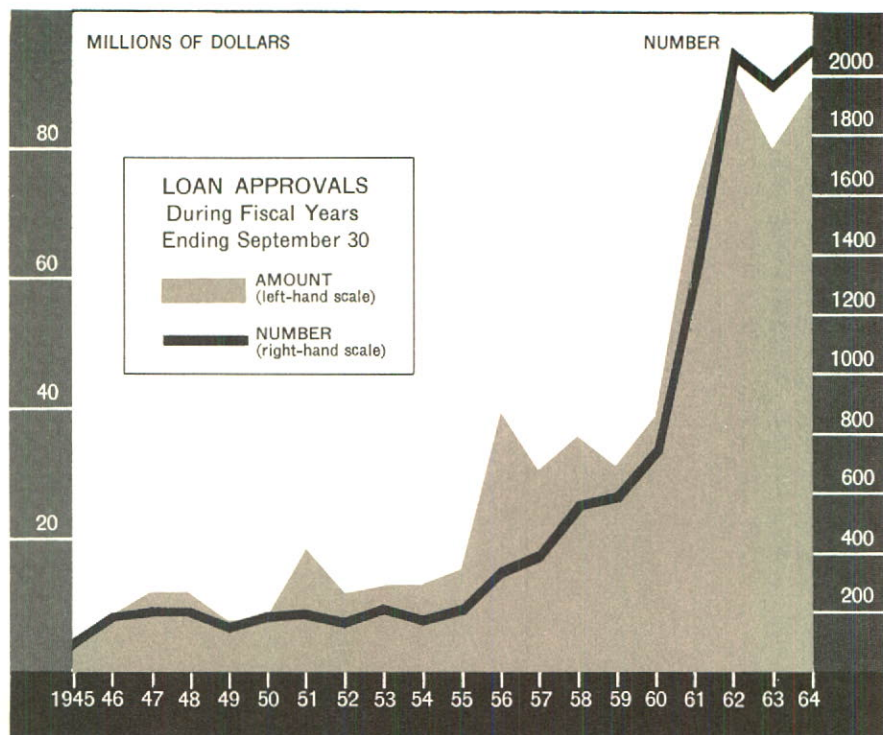


## *Reserves*

RESERVE FOR LOSSES		(\$000)
Balance, October 1, 1963.....		\$ 3,700
<i>Add:</i>		
Recovery of amounts previously written off.....	\$ 29	
Provision for bad and doubtful debts for the year ended September 30, 1964.....	998	1,027
		<u>\$ 4,727</u>
<i>Less:</i>		
Bad debts written off.....		227
Balance, September 30, 1964.....		<u>\$ 4,500</u>

RESERVE FUND		(\$000)
Balance, October 1, 1963.....		\$16,618
Profit for the year ended September 30, 1964.....		865
Balance, September 30, 1964.....		<u>\$17,483</u>







# PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books as at September 30, 1964		Total Authorizations November 1, 1944 to September 30, 1964	
	Number of Businesses	Amounts Outstanding or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland.....	146	4,950	184	8,160
Prince Edward Island.....	34	678	49	6,740
Nova Scotia.....	171	7,663	274	15,807
New Brunswick.....	213	6,453	348	17,622
Quebec.....	1,230	75,702	1,994	180,628
Ontario.....	2,158	90,394	3,216	202,148
Manitoba.....	448	17,096	663	37,895
Saskatchewan.....	280	8,478	390	21,790
Alberta.....	760	23,473	1,054	52,682
British Columbia.....	559	27,103	1,070	84,128
Yukon, N.W. Territories....	28	1,390	41	2,707
Total.....	6,027	263,380	9,283	630,307

*idb*

## SUMMARY STATISTICS OF LOANS

FOR FISCAL YEARS ENDING SEPTEMBER 30

(Millions of Dollars)	1959	1960	1961	1962	1963	1964
Amounts drawn down by borrowers.....	29.3	29.7	47.5	74.3	74.0	69.6
Repayments by borrowers...	20.4	23.4	27.1	32.6	38.2	46.0
Amounts written off (net)...	.8	.1	.2	.2	.1	.2
Increase in amounts out- standing.....	8.1	6.2	20.2	41.5	35.7	23.4
Amounts outstanding at year- end.....	96.7	102.9	123.1	164.6	200.3	223.7
Amounts not yet disbursed at year-end on loans author- ized.....	12.4	16.9	31.1	39.0	31.7	39.7
Amounts outstanding plus undisbursed at year-end...	109.1	119.8	154.2	203.6	232.1	263.4
Number of customers on the books at year-end.....	1,609	1,966	2,768	4,083	5,104	6,027
Average amount outstanding plus undisbursed per cus- tomer (thousands of dollars).....	68	61	56	50	45	44



# Loan Approvals

During Fiscal Years  
Ending September 30

To New Borrowers .....	
To Existing Borrowers .....	
Total .....	

## CLASSIFICATION BY NEW

### NUMBER

1959	1960	1961	1962
438	571	1,070	1,730
161	169	295	355
599	740	1,365	2,085

## CLASSIFICATION BY SIZE:

\$ 5,000 or less .....	
Over 5,000 to 25,000 .....	
Over 25,000 to 50,000 .....	
Over 50,000 to 100,000 .....	
Over 100,000 to 200,000 .....	
Total up to \$200,000 .....	
Over \$200,000 .....	
Total .....	

31	28	39	72
242	313	578	985
153	188	372	526
112	124	234	340
43	60	105	121
581	713	1,328	2,044
18	27	37	41
599	740	1,365	2,085

Average Size .....

## CLASSIFICATION BY PROVINCE

Newfoundland .....	
Prince Edward Island .....	
Nova Scotia .....	
New Brunswick .....	
Quebec .....	
Ontario .....	
Manitoba .....	
Saskatchewan .....	
Alberta .....	
British Columbia .....	
Yukon and N. W. Territories .....	
Total .....	

7	8	21	60
5	8	4	16
32	28	49	61
27	30	61	89
140	147	258	423
193	264	538	810
32	37	106	143
19	28	64	86
56	76	131	216
86	110	128	169
2	4	5	12
599	740	1,365	2,085



# OR EXISTING BORROWERS:

## AMOUNT (\$000)

1963	1964	1959	1960	1961	1962	1963	1964
1,532	1,514	24,150	29,517	53,596	75,922	61,020	62,964
454	569	6,429	9,059	17,640	16,059	18,791	25,184
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148

100	86	105	121	165	304	431	363
993	1,054	3,911	4,905	8,960	15,278	15,113	16,503
476	519	5,939	7,131	14,238	20,414	18,324	19,778
303	289	8,406	9,659	17,610	25,289	22,737	21,571
84	96	6,293	8,748	15,418	17,797	12,249	13,666
1,956	2,044	24,654	30,564	56,391	79,082	68,854	71,881
30	39	5,925	8,012	14,845	12,899	10,957	16,267
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148
.....	.....	51	52	52	44	40	42

# NCE:

52	60	235	698	754	1,628	1,531	1,982
12	4	171	111	70	403	305	61
47	62	1,355	1,075	2,130	2,840	1,881	2,122
70	52	765	888	2,711	2,491	2,276	1,747
395	439	7,585	9,398	16,884	24,340	22,520	24,982
676	675	9,862	12,388	24,952	33,686	27,902	28,124
159	154	2,065	1,895	5,433	6,417	5,585	5,856
78	120	978	1,493	3,133	2,938	2,344	3,729
306	282	2,745	3,465	5,990	8,011	8,388	8,786
181	230	4,743	7,057	9,032	8,605	6,727	10,569
10	5	75	108	147	622	352	190
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148



	NUMBER			
	1959	1960	1961	1962
Manufacturing:				
Foods and beverages . . . . .	82	92	159	165
Tobacco and tobacco products . . . . .	..	..	..	..
Rubber products . . . . .	2	4	9	2
Leather products . . . . .	5	2	15	6
Textile products (except clothing) . . . . .	12	11	15	27
Clothing (textiles and fur) . . . . .	33	25	49	53
Wood products . . . . .	74	76	127	129
Paper products (including pulp) . . . . .	6	12	18	11
Printing and allied industries . . . . .	25	35	58	64
Iron and steel products . . . . .	80	104	190	164
(including machinery and equipment)				
Transportation equipment . . . . .	22	26	42	16
Non-ferrous metal products . . . . .	15	15	20	3
Electrical apparatus and supplies . . . . .	11	12	22	25
Non-metallic mineral products . . . . .	34	39	65	66
Products of petroleum and coal . . . . .	1	2	3	3
Chemical products . . . . .	20	24	27	28
Miscellaneous manufacturing industries . . . . .	17	17	38	45
Commercial air services . . . . .	13	10	20	20
Warehousing (including refrigeration) . . . . .	5	13	13	12
Other transportation and storage . . . . .	42	61	103	88
Electric power, gas, water utilities . . . . .	..	..	..	2
Mines (incl. milling) quarries, oil wells . . . . .	6	20	31	28
Construction . . . . .	37	59	144	161
Industrial buildings . . . . .	13	12	28	32
Personal services . . . . .	11	23	42	270
Forestry . . . . .	..	2	5	9
Wholesale trade . . . . .	9	16	32	152
Retail trade . . . . .	9	20	55	240
Education and health services . . . . .	..	..	2	18
Recreation services . . . . .	..	..	1	67
Services to business management . . . . .	2	2	4	25
Miscellaneous services . . . . .	9	4	17	34
Agriculture . . . . .	4	2	11	106
Fishing and trapping . . . . .	..	..	..	1
Communications . . . . .	..	..	..	13
(Enterprises engaged in more than one type of business are classified according to major activity.)	599	740	1,365	2,085



# Loan Approvals by Types of Businesses

DURING FISCAL YEARS ENDING SEPTEMBER 30

		AMOUNT (\$000)					
1963	1964	1959	1960	1961	1962	1963	1964
160	151	4,340	5,435	8,625	6,934	7,525	9,016
..	..	...	...	...	...	...	...
7	5	38	230	547	47	208	233
6	14	246	115	1,026	463	372	434
26	19	611	474	933	2,323	1,695	1,610
45	38	1,707	837	2,585	2,934	1,446	1,919
112	115	4,575	5,217	7,657	7,522	6,281	5,954
18	15	171	803	1,615	407	1,430	758
46	47	1,169	1,223	2,380	2,058	2,082	2,290
165	184	3,298	4,718	8,933	6,701	7,921	12,455
25	23	765	775	1,390	648	847	699
7	2	1,028	659	762	93	296	407
14	16	502	531	2,112	1,860	666	1,240
54	46	1,497	2,511	5,889	3,097	2,248	2,477
..	3	30	40	224	152	...	169
26	9	846	942	1,233	1,234	1,522	277
56	47	1,122	888	1,681	1,394	2,298	2,035
12	15	891	598	908	1,497	384	993
12	9	469	1,215	745	745	1,222	439
92	67	1,789	4,012	5,445	4,579	4,791	4,078
2	4	...	...	...	80	63	79
16	16	361	1,500	2,614	1,418	550	928
123	118	2,275	2,358	5,992	6,873	3,877	4,256
34	36	949	492	1,232	1,312	1,462	1,354
261	290	327	672	1,596	12,868	10,022	10,025
6	7	...	292	220	612	77	147
118	151	395	668	1,418	5,888	4,314	5,509
226	292	556	936	2,297	6,888	6,185	7,811
10	7	...	...	85	463	181	100
59	61	...	...	100	4,174	2,662	2,584
21	13	51	105	168	628	631	307
39	42	511	245	582	1,156	913	1,022
175	201	60	85	242	4,127	4,809	5,892
6	4	...	...	...	8	455	136
7	16	...	...	...	798	376	515
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148



## *Board of Directors*

\*L. RASMINSKY, C.B.E., OTTAWA, ONT.

\*J. R. BEATTIE, OTTAWA, ONT.

\*H. BARIBEAU, LEVIS, QUE.

A. I. BARROW, C.A., HALIFAX, N.S.

\*R. B. BRYCE, OTTAWA, ONT.

N. H. DEBLOIS, CHARLOTTETOWN, P.E.I.

FREDERICK FIELD, F.C.A., VANCOUVER, B.C.

C. HEDLEY FORBES, FREDERICTON, N.B.

S. N. MAC EACHERN, SASKATOON, SASK.

A. J. MACINTOSH, Q.C., TORONTO, ONT.

\*W. A. MACKINTOSH, KINGSTON, ONT.

J. RENÉ OUIMET, MONTREAL, QUE.

L. PATRICK, C.B.E., CALGARY, ALTA.

W. S. PERLIN, ST. JOHN'S, NFLD.

DANIEL SPRAGUE, C.A., WINNIPEG, MAN.

\*J. H. WARREN, OTTAWA, ONT.

*\*Member of the Executive Committee*



## *Head Office, Ottawa*

L. RASMINSKY, C.B.E.	<i>President</i>
L. F. MUNDY	<i>Secretary</i>
P. D. SMITH	<i>Deputy Secretary</i>
A. J. NORTON	<i>Chief Accountant</i>
E. METCALFE	<i>Internal Auditor</i>

## *General Manager's Office, Montreal*

A. N. H. JAMES	<i>General Manager</i>
E. R. CLARK	<i>Assistant General Manager</i>
C. E. DEATHE	<i>Executive Assistant</i>
J. HARVEY	<i>Administrative Assistant</i>
G. R. ELLIOTT	<i>Assistant Superintendent, Credit Department</i>
G. D. COATES	<i>Controller</i>
H. M. SCOTT	<i>Chief, Legal Department</i>
W. L. MUNDY	<i>Chief, Insurance Department</i>
H. DUNCAN	<i>Chief, Loan Accounting Department</i>
E. C. SCOTT	<i>Personnel Officer</i>
C. I. STUART	<i>Deputy Secretary</i>
J. W. SIVERS	<i>Information Officer</i>



## Regional and Branch Offices

ST. JOHN'S.....	85 Elizabeth Avenue N. J. WEEDMARK, <i>Manager</i>
HALIFAX.....	123 Hollis Street E. A. BELL, <i>Supervisor</i> J. G. KENNA, <i>Assistant Supervisor</i>
SAINT JOHN.....	75 Prince William Street J. B. S. OLDAKER, <i>Manager</i>
MONCTON.....	236 St. George Street G. J. HILTZ, <i>Manager</i>
EASTERN REGION	
REGIONAL OFFICE, MONTREAL.....	901 Victoria Square H. R. STOKER, <i>Regional Supervisor</i> L. VIAU, <i>Assistant Supervisor</i>
RIMOUSKI.....	133 St. Germain Street M. GENDRON, <i>Manager</i>
QUEBEC.....	925 Chemin St. Louis J. J. PAQUIN, <i>Manager</i>
TROIS-RIVIERES.....	165 Radisson Street J. J. G. BOURBONNIÈRE, <i>Manager</i>
MONTREAL.....	901 Victoria Square J. E. NORDIN, <i>Manager</i> J. J. PANNETON, <i>Manager</i> L. F. SMITH, <i>Assistant Manager</i> C. C. PINEAU, <i>Assistant Manager</i>
SHERBROOKE (Sub-Branch to Montreal) .....	31 King Street West
OTTAWA.....	350 King Edward Avenue P. F. LIMOGES, <i>Manager</i>



## CENTRAL REGION

REGIONAL OFFICE, TORONTO.....250 University Avenue  
W. C. STUART, *Regional Supervisor*  
J. R. GIBB, *Assistant Supervisor*

TORONTO.....250 University Avenue  
K. K. HAY-ROE, *Manager*  
R. T. MACTAVISH, *Assistant Manager*  
J. G. WILSON, *Assistant Manager*

HAMILTON.....36 James Street S.  
I. D. MACLAREN, *Manager*

KITCHENER-WATERLOO.....Waterloo Square Building, Waterloo  
W. H. JAY, *Manager*

LONDON.....291 Dundas Street  
C. F. BLANCHER, *Manager*

WINDSOR.....267 Pelissier St.  
C. R. T. BINGLEY, *Manager*

SUDBURY.....96 Larch Street, East  
R. K. SUUTARI, *Manager*

## PRAIRIE REGION

REGIONAL OFFICE, WINNIPEG.....360 Broadway Ave.  
J. C. INGRAM, *Regional Supervisor*  
R. H. WHEELER, *Assistant Supervisor*

LAKEHEAD.....8-A North Cumberland Street,  
K. C. A. DAWSON, *Manager* Port Arthur

WINNIPEG.....360 Broadway Avenue  
K. A. POWERS, *Manager*  
H. D. RAMSEY, *Assistant Manager*

REGINA.....2220 - 12th Avenue  
H. W. BAKER, *Manager*

SASKATOON.....406 - 21st Street, East  
F. G. STEWART, *Manager*

CALGARY.....320 Seventh Ave., S.W.  
H. J. C. RUSSELL, *Supervisor*  
N. P. BRUCE, *Assistant Supervisor*

EDMONTON.....10010 - 105th Street  
E. G. CAPLING, *Manager*  
R. B. THOMAS, *Assistant Manager*

KELOWNA.....22A The Mall, Shops Capri  
C. V. SPIELMAN, *Manager*

VANCOUVER.....1112 West Pender Street  
J. E. MILLARD, *Supervisor*  
O. H. MORGAN, *Assistant Supervisor*

VICTORIA.....702 Fort Street  
C. B. READY, *Manager*



## 1944 *idb* 1964

On August 15th, 1944, royal assent was given to the Industrial Development Bank Act. The Act came into force on the following September 30th, and on November 1st, 1944 the Bank opened its doors for business.

Prior to that time there was no financial institution in Canada to provide a regular source of medium or long-term financing for small and medium-sized businesses unable to raise funds in the securities market. Short-term credit for business was provided by the banking system but, in general, longer-term funds were available only from non-institutional sources. Banks were not permitted to make loans on the security of land, buildings or other fixed assets, and other institutional lenders such as insurance and trust and loan companies were, so far as smaller mortgages were concerned, mainly interested in lending on residential rather than business property. There was therefore a special interest in broadening the sources of term financing, particularly for smaller businesses, to encourage industrial development.

The Industrial Development Bank, the new organization to provide term financing to Canadian business, was set up as a public institution with all of its capital stock being subscribed by the central bank, the Bank of Canada. It was intended to supplement rather than compete with the activities of other lenders, and to provide credit only when this was not available elsewhere on reasonable terms and conditions. The Industrial Development Bank Act also indicated that the IDB was to



confine its lending to enterprises which seemed likely to be financially successful and able to repay their borrowings from the Bank, and that the IDB was to be particularly concerned with the financing problems of smaller business enterprises.

These guiding principles were set forth in the preamble to the Industrial Development Bank Act which reads as follows:

“Whereas it is desirable to establish an industrial development bank 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.”

As the IDB would be operating in a field of lending new in Canada and would have problems of acquiring or training staff with the necessary specialized skills, its operations were at first limited to the area in which the immediate need for its facilities was expected to be greatest. Under the Act as proclaimed in 1944, IDB's field of operations was confined almost entirely to manufacturing enterprises, where the importance of investment in fixed assets made the provision of longer-term capital funds a particularly urgent problem. As the Bank acquired operating experience the scope of the IDB's operations was steadily broadened by successive amendments to the IDB Act:

- In 1952, the Bank was empowered to provide financing to commercial air services in Canada.
- In 1956, the range of industrial enterprises which the Bank could finance was extended considerably, to include for the first time such activities as processing, installing, reconditioning, repairing, cleaning, etc.
- In 1961, the Bank's field of activity was enlarged to include “any industry, trade or other business undertaking of any kind.”

Since 1961 the Bank has been able to provide financial assistance to virtually all types of business enterprises in Canada; a few are, for policy reasons, not regarded as appropriate for IDB financing.



In keeping with the Bank's fundamental objective of making its facilities conveniently accessible in all parts of the country, branch offices have been established in key centres as the volume of business developed and suitable trained staff were available. The first IDB branches opened, shortly after the inception of the Bank, were in the metropolitan centres of Montreal, Toronto, Winnipeg and Vancouver. In 1956, branches were opened at Halifax and Calgary, and in 1959 at Saint John, Quebec City, London and Regina. In 1960, and in each succeeding year, additional branch offices have been established until, at the present time, the Bank has a network of twenty-five branches extending to all parts of the country. In addition, regular advertised visits are paid by each IDB branch to contiguous areas to contact interested applicants.

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On the following pages are photographs illustrating the operations of a few of the more than 9,000 individual businesses to which the Bank has extended financial assistance in past years.





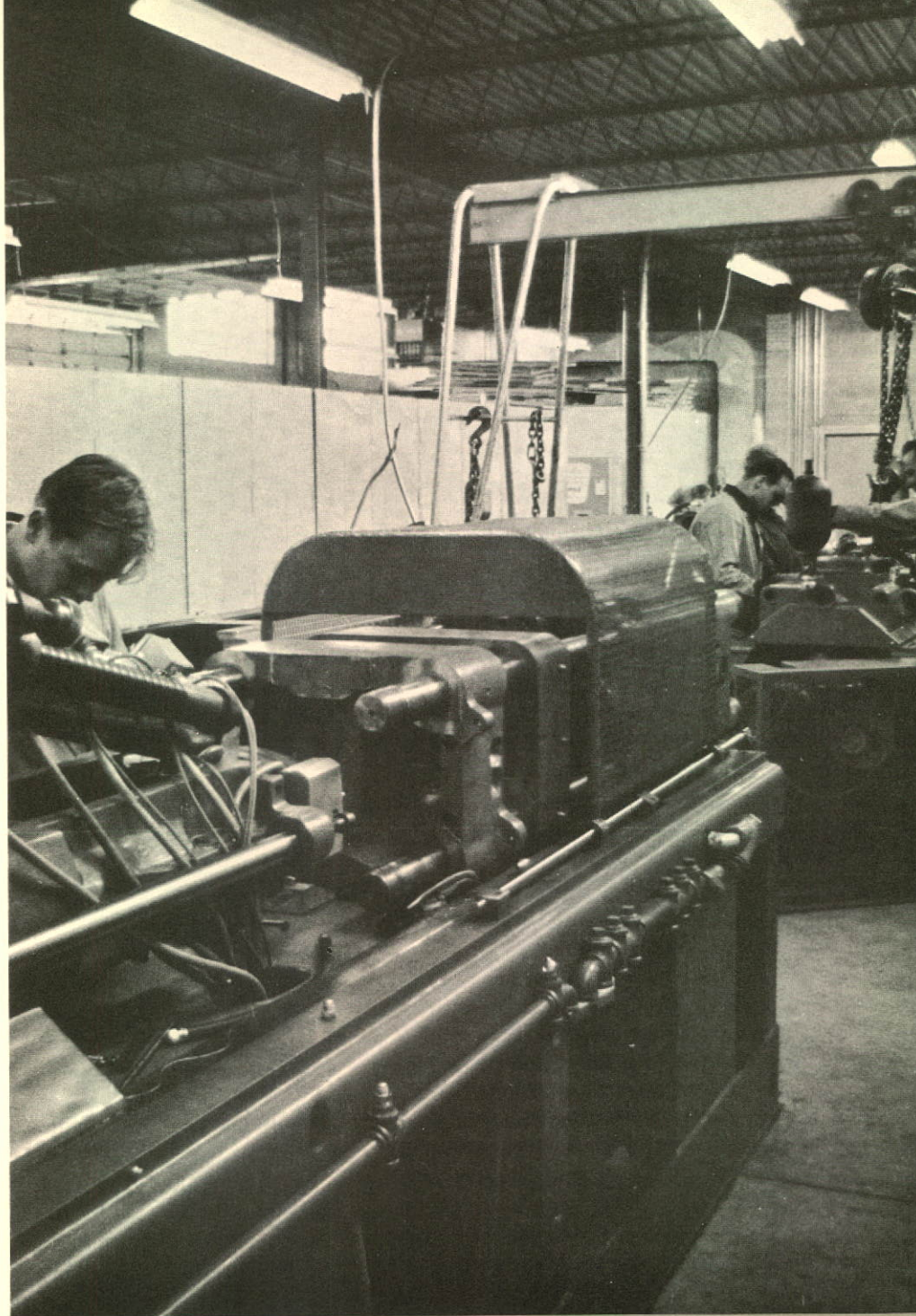
Manufacturing spiral welded pipe for use as piling or to carry air, water, and other gases and liquids.





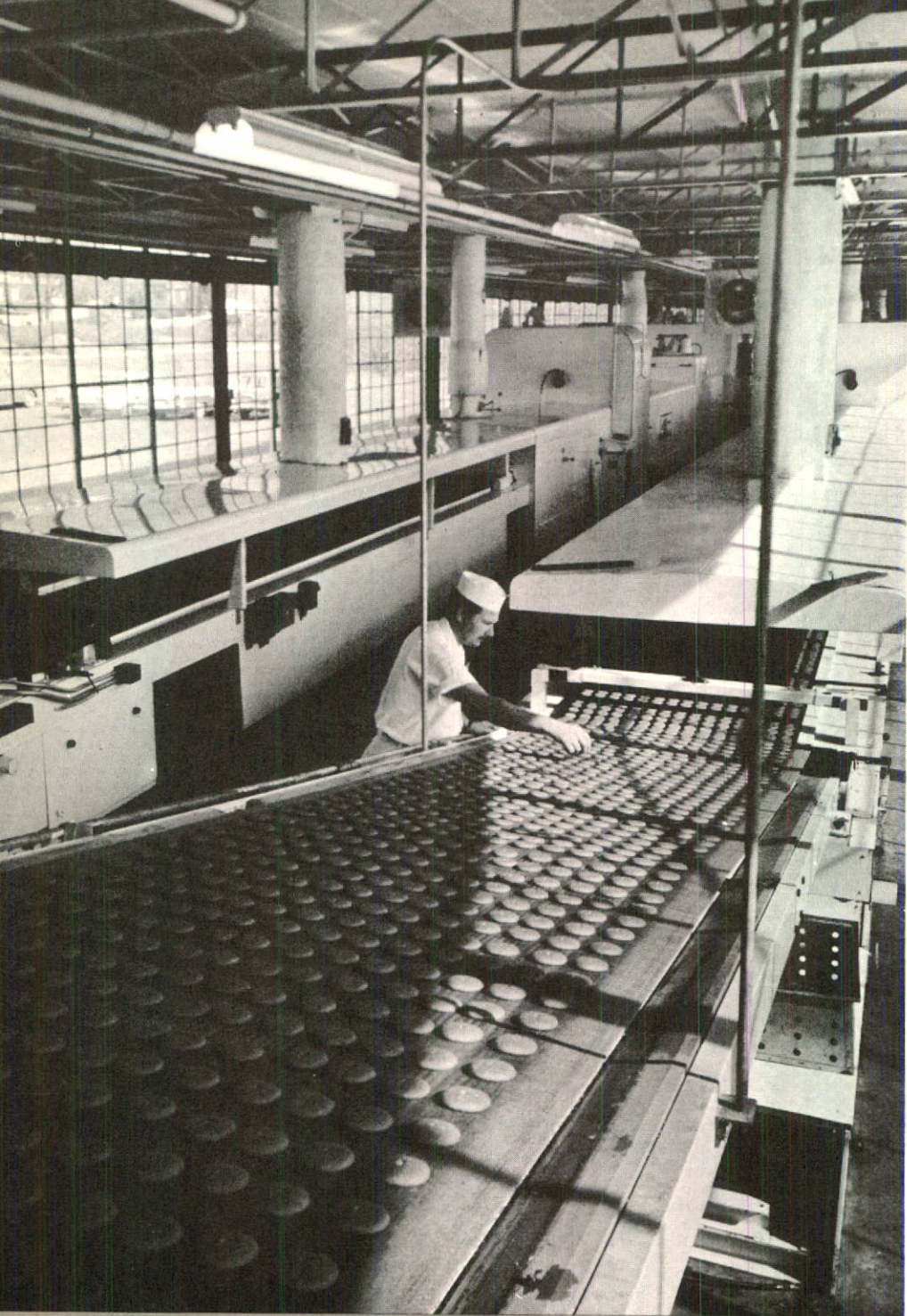
Freshly caught fish being unloaded into a processing plant.





High speed plastic injection moulding machines being made for sale chiefly in foreign markets.





Cookies emerging from a band oven.





Flower cuttings being planted in a greenhouse.





Preparing yarn for weaving wool fabrics.





Analyzing paints and lacquers in a laboratory for purpose of quality control.





This company operates a charter helicopter service to move men and equipment to inaccessible areas.







