

Deposits, Loans and Discounts.—As an index of the course of banking business, of the nature of many transactions undertaken and of the general security of bank assets, loans and discounts are of great value. They illustrate clearly the channels into which a large proportion of the potential earning power of the banks is directed, and, by providing a comparison between investments made in lending operations inside and outside of Canada, afford essential information regarding the conduct by a bank of one of its most important activities.

Bank deposits, to a large extent the product of lending operations, by which credit is advanced on security, followed by the deposit of the proceeds of a loan, are also of considerable importance, and, on account of their derivation, are one of the most valuable records of the volume of business done at any time. Actual deposits of cash are, of course, included with the amounts deposited after the granting of loans.

Tables 53 and 54, following, give the deposits and loans of Canadian chartered banks for the years 1920 to 1924. The increase of over \$30,000,000 in deposits elsewhere than in Canada largely accounts for the increased deposits shown in 1924, while in Table 54 the most important change from the 1923 figures is the decrease of nearly \$78,000,000 in the amount of current loans in Canada, indicating quieter business in 1924.

53.—Deposits in Chartered Banks in Canada and elsewhere, for the calendar years 1920-1924.

NOTE.—The statistics in this table are averages computed from monthly returns in each year.

Items.	1920.	1921.	1922.	1923.	1924.
	\$	\$	\$	\$	\$
Deposits by the public of Canada—					
Payable on demand.....	653,862,869	551,914,643	502,781,234	523,170,930	511,218,736
Payable after notice or on a fixed day.....	1,239,308,076	1,289,347,063	1,191,637,004	1,197,277,065	1,198,246,414
Deposits elsewhere than in Canada.....	335,164,532	285,125,448	314,076,484	302,265,063	332,533,491
Balances due to Dominion and Provincial Governments.....	209,744,315	138,199,582	112,502,308	84,893,053	88,623,119
Total Deposits.....	2,438,079,792	2,264,586,736	2,120,997,030	2,107,606,111	2,130,621,760

54.—Loans of Canadian Chartered Banks, for the calendar years 1920-1924.

NOTE.—The statistics in this table are averages computed from monthly returns in each year.

Items.	1920.	1921.	1922.	1923.	1924.
	\$	\$	\$	\$	\$
Call and short loans on stocks and bonds in Canada.....	118,956,035	109,542,625	101,320,268	98,874,726	109,035,615
Call and short loans elsewhere than in Canada.....	200,098,050	172,137,325	178,457,564	198,047,516	181,705,220
Current loans in Canada ¹	1,410,602,684	1,323,158,731	1,196,883,077	1,125,813,594	1,048,118,113
Current loans elsewhere than in Canada.....	186,891,995	156,571,063	149,586,461	161,594,278	181,651,237
Loans to governments.....	13,945,219	12,965,097	9,556,612	13,158,705	13,467,969
Overdue debts.....	4,952,320	6,809,274	7,839,461	9,443,664	12,813,926
Total Loans.....	1,935,446,303	1,781,184,115	1,643,643,443	1,606,932,483	1,546,792,060

¹ Includes loans to cities, towns, municipalities and school districts.