

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, the demand deposits being 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 (mainly deposits payable after notice or on a fixed day) 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 1921 to 1925. The three important classes of deposits, demand deposits, notice deposits and deposits elsewhere than in Canada, show increases in 1925 over the previous year of \$20,000,000, \$71,000,000 and \$30,000,000 respectively, while balances due to the Dominion Government and to Provincial Governments show a decrease of over \$30,000,000. The net increase of total deposits during the year was \$90,548,851.

Of the items listed in Table 54, all but two show increases during 1925. Current loans in Canada, for the third year in succession, show a decrease which in 1925 amounted to over \$80,000,000. This, however, was less than the increases in call loans and in current loans outside of Canada, which showed a combined increase during the year of \$93,000,000. The net increase of all loans shown in the 1925 total is \$15,224,929.

53.—Deposits in Chartered Banks in Canada and elsewhere, for the calendar years 1921-1925.

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

Items.	1921.	1922.	1923.	1924.	1925.
	\$	\$	\$	\$	\$
Deposits by the public of Canada—					
Payable on demand.....	551,914,643	502,781,234	523,170,930	511,218,736	531,130,578
Payable after notice or on a fixed day.....	1,289,347,063	1,191,637,004	1,197,277,085	1,198,246,414	1,260,542,584
Deposits elsewhere than in Canada.....	285,125,448	314,076,484	302,265,053	332,533,491	362,103,660
Balances due to Dominion and Provincial Governments.....	133,199,582	112,502,308	84,893,053	83,623,119	58,333,789
Total Deposits.....	2,264,586,736	2,120,997,030	2,107,696,111	2,130,621,760	2,321,160,611

54.—Loans of Chartered Banks in Canada and elsewhere, for the calendar years 1921-1925.

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

Items.	1921.	1922.	1923.	1924.	1925.
	\$	\$	\$	\$	\$
Call and short loans on stocks and bonds in Canada.....	109,542,625	101,320,263	98,874,726	109,635,615	120,086,639
Call and short loans elsewhere than in Canada.....	172,137,325	178,457,564	168,047,516	181,705,220	225,461,687
Current loans in Canada ¹	1,323,158,731	1,196,883,077	1,125,813,594	1,043,118,113	967,255,763
Current loans elsewhere than in Canada.....	156,571,063	149,586,461	161,594,278	181,651,237	220,093,549
Loans to governments.....	12,965,097	9,556,612	13,153,705	13,467,969	13,234,960
Overdue debts.....	6,309,274	7,839,461	9,443,064	12,813,926	10,579,402
Total Loans.....	1,781,184,115	1,643,643,443	1,606,332,483	1,546,732,050	1,562,617,009

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