

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, 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 15 and 16, following, give the deposits and loans of Canadian chartered banks for the years 1923 to 1927.

15.—Deposits in Chartered Banks in Canada and elsewhere, for the calendar years 1923-1927.

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

Items.	1923.	1924.	1925.	1926.	1927.
	\$	\$	\$	\$	\$
Deposits by the public of Canada—					
Payable on demand.....	523,170,930	511,218,736	531,180,578	553,322,935	596,069,007
Payable after notice or on a fixed day.....	1,197,277,065	1,198,246,414	1,269,542,584	1,340,559,021	1,399,062,201
Deposits elsewhere than in Canada.....	302,265,062	332,533,491	362,103,660	330,399,153	349,008,560
Balances due to Dominion and Provincial Governments....	84,893,653	88,623,119	58,333,759	52,910,934	70,992,492
Total Deposits.....	2,107,646,111	2,130,621,760	2,221,168,511	2,277,192,043	2,415,132,261

16.—Loans of Chartered Banks in Canada and elsewhere, for the calendar years 1923-1927.

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

Items.	1923.	1924.	1925.	1926.	1927.
	\$	\$	\$	\$	\$
Call and short loans on stocks and bonds in Canada.....	99,974,726	109,036,615	120,086,639	140,230,599	155,652,795
Call and short loans elsewhere than in Canada.....	198,047,516	181,705,220	225,461,687	250,080,298	268,536,339
Current loans in Canada ¹	1,125,813,594	1,048,118,113	967,255,763	1,003,030,550	1,091,876,489
Current loans elsewhere than in Canada.....	161,594,278	181,651,237	220,098,549	261,415,615	269,337,398
Loans to governments.....	13,188,708	13,467,969	18,234,969	18,054,219	15,801,827
Overdue debts.....	9,443,664	12,813,026	10,579,402	9,537,377	8,700,427
Total Loans.....	1,606,327,483	1,546,792,960	1,567,017,909	1,682,379,635	1,839,965,275

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