

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 1924 to 1928.

15.—Deposits in Chartered Banks in Canada and elsewhere, for the calendar years 1924-1928.

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

Items.	1924.	1925.	1926.	1927.	1928.
	\$	\$	\$	\$	\$
Deposits by the public in Canada—					
Payable on demand.....	511,218,736	531,180,578	553,322,935	596,069,007	677,467,295
Payable after notice or on a fixed day.....	1,198,246,414	1,269,542,584	1,340,559,021	1,399,062,201	1,496,608,451
Deposits elsewhere than in Canada.....	332,533,491	362,103,660	330,399,153	349,008,560	372,452,533
Balances due to Dominion and Provincial Governments.....	88,623,119	58,333,789	52,910,934	70,992,492	64,066,587
Total Deposits.....	2,130,621,760	2,221,160,611	2,277,192,043	2,415,132,260	2,610,594,863

16.—Loans of Chartered Banks in Canada and elsewhere, for the calendar years 1924-1928.

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

Items.	1924.	1925.	1926.	1927.	1928.
	\$	\$	\$	\$	\$
Call and short loans on stocks and bonds in Canada.....	109,035,615	120,086,639	140,230,899	185,652,795	253,488,198
Call and short loans elsewhere than in Canada.....	181,705,220	225,461,687	250,080,998	268,536,339	267,352,621
Current loans in Canada.....	1,048,118,113	967,255,763	1,003,030,550	1,091,876,489	1,252,556,650
Current loans elsewhere than in Canada.....	181,651,237	220,098,549	261,415,615	260,337,398	261,943,962
Loans to governments.....	13,467,969	18,234,969	18,084,219	15,801,827	20,569,721
Overdue debts.....	12,813,926	10,879,402	9,537,377	8,700,427	7,482,476
Total Loans.....	1,546,792,989	1,567,017,009	1,632,379,658	1,839,905,278	2,072,483,638

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