

## 12.—Liabilities of Chartered Banks in the calendar years 1926-1929.

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

Liabilities.	1926.	1927.	1928.	1929.
	\$	\$	\$	\$
<b>Liabilities to the Public—</b>				
Notes in circulation.....	168,885,995	172,100,763	176,716,979	178,291,030
Balance due to Dominion Government after deducting advances for credits, pay lists, etc.....	31,294,876	45,418,748	42,219,976	77,812,312
Advances under the Finance Act.....	14,679,166	19,204,167	51,528,333	82,916,667
Balances due to Provincial Governments....	21,615,975	25,573,744	21,846,611	24,536,732
Deposits by the public payable on demand in Canada.....	553,322,935	596,069,007	677,467,295	696,387,318
Deposits by the public payable after notice or on a fixed day in Canada.....	1,340,559,021	1,399,062,201	1,496,608,451	1,479,870,058
Deposits elsewhere than in Canada.....	330,399,153	349,008,560	372,452,532	418,138,374
Deposits made by and balances due to other banks in Canada.....	11,508,311	12,487,069	15,496,756	14,528,474
Due to banks and banking correspondents in the United Kingdom.....	6,444,964	6,723,874	13,449,698	25,693,879
Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....	38,065,329	44,760,541	63,038,671	100,254,711
Bills payable.....	11,072,863	8,720,888	12,048,303	10,842,329
Acceptances under letters of credit.....	73,171,325	75,083,687	97,624,647	100,473,804
Liabilities not included under foregoing heads.....	3,581,040	4,111,464	4,243,913	5,754,347
<b>Total Liabilities to the Public.....</b>	<b>2,604,600,953</b>	<b>2,758,324,713</b>	<b>3,044,742,165</b>	<b>3,215,503,098</b>
<b>Liabilities to Shareholders—</b>				
Capital paid up.....	116,638,254	121,666,774	122,839,879	137,269,085
Amount of rest or reserve fund.....	125,441,700	130,320,897	134,087,485	150,636,682
<b>Total Liabilities to Shareholders...</b>	<b>242,079,954</b>	<b>251,987,671</b>	<b>256,927,364</b>	<b>287,905,767</b>
<b>Grand Total Liabilities.....</b>	<b>2,846,680,907</b>	<b>3,010,312,384</b>	<b>3,301,669,529</b>	<b>3,503,408,865</b>

**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 13 and 14, following, give the deposits and loans of Canadian chartered banks for the years 1925 to 1929.