

12.—Liabilities of Chartered Banks in the calendar years 1928-31.

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

Liabilities.	1928.	1929.	1930.	1931.
Liabilities to the Public—				
	\$	\$	\$	\$
Notes in circulation.....	176,716,979	178,291,030	159,341,085	141,438,920
Balance due to Dominion Government after deducting advances for credits, pay lists etc.....	42,219,976	77,815,312	47,706,626	48,978,777
Advances under the Finance Act.....	51,528,338	82,916,667	37,308,333	19,416,666
Balances due to Provincial Governments.....	21,846,611	24,536,732	28,036,339	24,372,336
Deposits by the public payable on demand in Canada.....	677,467,295	696,387,381	622,895,347	578,604,304
Deposits by the public payable after notice or on a fixed day in Canada.....	1,496,608,451	1,479,870,058	1,427,569,716	1,437,976,749
Deposits elsewhere than in Canada.....	372,452,532	418,138,374	390,403,559	332,902,489
Deposits made by and balances due to other banks in Canada.....	15,496,756	14,528,474	14,831,131	12,596,946
Due to banks and banking correspondents in the United Kingdom.....	13,449,698	25,693,879	11,539,556	5,301,868
Due to banks and banking correspondents elsewhere than in Canada and the United Kingdom.....	63,038,671	100,254,711	64,076,035	62,055,917
Bills payable.....	12,048,303	10,842,329	9,187,617	4,489,370
Acceptances under letters of credit.....	97,624,647	100,473,804	90,355,973	67,896,762
Liabilities not included under foregoing heads.....	4,243,913	5,754,347	6,278,946	5,523,025
Totals, Liabilities to the Public.....	3,044,742,165	3,215,563,098	2,969,530,263	2,741,554,219
Liabilities to Shareholders—				
Capital paid up.....	122,839,879	137,269,085	144,560,874	144,674,853
Amount of rest or reserve fund.....	134,087,435	150,636,682	160,639,246	162,075,000
Totals, Liabilities to Shareholders.....	256,927,314	287,905,767	305,200,120	306,749,853
Grand Totals, Liabilities.....	3,301,669,529	3,503,468,865	3,274,730,383	3,048,304,073

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 1927 to 1931.