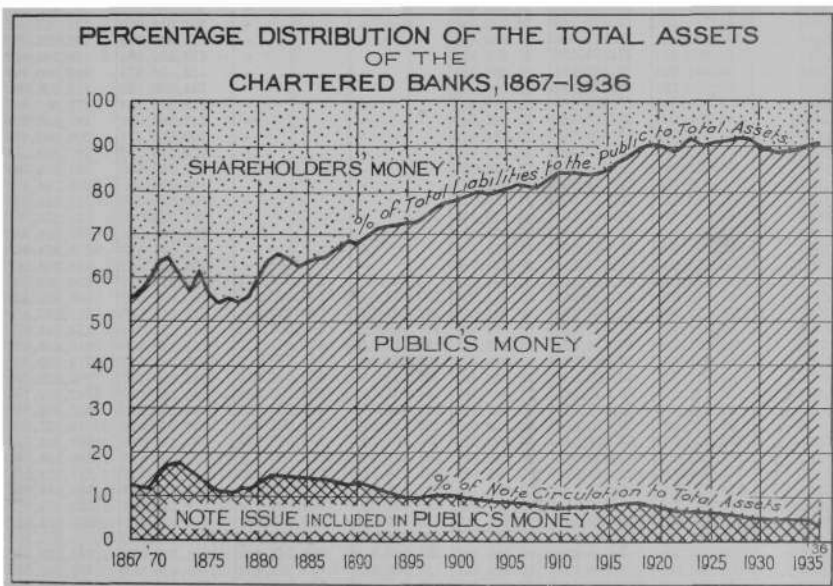


Subsection 2.—Combined Statistics of Chartered Banks.

In Table 10 are given summary statistics of Canadian banking business since Confederation. In order to afford a clear view of the nature of banking transactions in Canada, bank liabilities have been classified in two main groups, liabilities to shareholders and liabilities to the public, only the latter group is ordinarily considered when determining the financial position of any such institution. Assets are divided into four groups, 'other assets' being included in the total. As of interest to students of banking practice, the relative rates of increase of capital and reserve funds may be noted, also the great increase in the proportion of liabilities to the public to total liabilities, and the gradually increasing percentage of liabilities to the public to total assets. The accompanying chart of ownership division of total assets is of interest in this connection. The declining proportion of notes in circulation to total liabilities to the public is also characteristic of the evolution of banking in recent times. Holdings of Dominion and Provincial Government and municipal securities were relatively insignificant prior to the Great War.



(Footnotes to Table 8 concluded.)

⁷ As indicated, the liability to noteholders has been fully provided for. A preferred claim of the Province of British Columbia for approximately \$103,000 was settled for \$65,000, subject to the proviso that the province might rank with ordinary creditors for the balance if or when such creditors had received a dividend of 25 p.c. The assets, however, realized only sufficient to pay a first and final dividend to depositors and other ordinary creditors of 7½ p.c. and after allowing for set-offs, etc., the liquidator estimated the loss to such creditors at \$279,000 plus the loss to the province of British Columbia of \$38,000, or a total of \$317,000.

⁸ Interim dividend of 25 p.c. paid by the liquidator in December, 1923, and he anticipated that by conserving the assets a further distribution of possibly 10 to 12 p.c. might be made eventually. Depressed conditions naturally affected the process of liquidation and the amount of the further dividend, if any, will depend entirely on future developments. The Government of Canada, pursuant to investigation by a Royal Commission into the responsibility for and causes of the failure, granted relief to the extent of 35 p.c. of the claims of certain classes of creditors, namely, all those individuals with claims of less than \$500 as well as those with larger claims who were found upon due inquiry to be in special need or straitened circumstances as a result of the failure. This involved a total outlay of approximately \$3,460,000.