

account of the drawer. To the extent of such items in 'float' there is, therefore, duplication in the figures of bank deposits. In Table 8, "Cheques on Other Banks" has been deducted from the figure of chartered bank deposits in order to eliminate this duplication.

Government deposits are given different treatment in different countries as far as volume-of-money statistics are concerned. In most cases the commonly used figure of bank deposits excludes Government deposits and, on the whole, it appears preferable to exclude Government of Canada deposits from the Canadian active money figures.

8.—Summary Statistics of Currency and Active Bank Deposits, as at Dec. 31, 1938-51

(Millions of dollars)

As at Dec. 31—	Currency Outside Banks ¹			Active Bank Deposits			Total Currency and Active Bank Deposits
	Notes	Coin	Total Currency	Chartered Bank Net ²	Bank of Canada 'Other' Deposits ³	Total Active Bank Deposits	
1938.....	207	31	238	890	3	893	1,131
1939.....	247	34	281	1,071	18	1,089	1,370
1940.....	341	38	379	1,174	10	1,184	1,563
1941.....	450	42	492	1,403	6	1,409	1,901
1942.....	633	49	682	1,648	19	1,667	2,349
1943.....	794	55	849	1,859	18	1,877	2,726
1944.....	930	60	990	2,135	28	2,163	3,153
1945.....	992	63	1,055	2,429	30	2,459	3,514
1946.....	1,031	65	1,096	2,806	94	2,900	3,996
1947.....	1,046	66	1,112	2,764	68	2,832	3,944
1948.....	1,115	70	1,185	3,069	81	3,150	4,335
1949.....	1,110	74	1,184	3,111	127	3,238	4,422
1950.....	1,136	78	1,214	3,430	207	3,637	4,851
1951.....	1,191	84	1,275	3,502	66	3,568	4,843

¹ Note circulation excluding notes held by chartered banks together with total coin issued by the Mint, less coin held by the banks.

² Demand and notice deposits, deposits of Provincial Governments, United Kingdom and foreign banks; less 'float' deposits, that is, cheques on banks as shown in month-end returns.

³ Excludes Government of Canada, chartered bank and foreign deposits.

Section 3.—Commercial Banking

Since one of the chief functions of the early banks in Canada was to issue notes to provide a convenient currency or circulating medium, it has been expedient to cover both currency and banking in the one historical sketch, which is given at pp. 900-905 of the 1938 Year Book. A list of the banks at Confederation appears at p. 897 of the 1940 Year Book and bank absorptions since 1867 are given at pp. 812-813 of the 1941 edition. A table at pp. 894-895 of the 1937 Year Book shows the insolvencies from Confederation; the last insolvency occurred in 1923. A summary of the more important changes resulting from the revision of the Bank Act in 1944 is given at pp. 961-962 of the 1946 Year Book.

Subsection 1.—Chartered Banks

Combined Statistics of Chartered Banks.—In order to afford a clear account of the nature of banking transactions in Canada, bank liabilities have been classified in Table 9 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. Of interest to students of banking practice, the relative rates