

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, in the comparison between investments made in lending operations inside and outside of Canada, as well as in the duration of loans, afford essential information regarding the conduct by a bank of one of its most important activities.

Bank deposits, 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 are, of course, included with the amounts deposited after the granting of loans, and are very small in comparison.

Tables 51 and 52 following, give the deposits and loans of Canadian chartered banks for the years 1918 to 1922. A general reduction in the volume of business done is apparent in all branches except those with customers in foreign countries; foreign deposits increased, during the year 1922, by some \$29,000,000, while call and short loans increased in the same year from \$172,137,325 to \$178,457,564.

51.—Deposits in Chartered Banks in Canada and elsewhere, for the calendar years 1918-1922.

Items.	1918.	1919.	1920.	1921.	1922.
	\$	\$	\$	\$	\$
Deposits by the public of Canada—					
Payable on demand.....	587,342,904	621,676,065	653,862,869	551,914,643	502,781,234
Payable after notice or on a fixed day.....	966,341,499	1,125,202,403	1,239,308,076	1,289,347,063	1,191,637,004
Deposits elsewhere than in Canada.....	206,065,621	238,731,784	335,164,532	285,125,448	314,076,484
Balances due to Dominion and Provincial Governments.....	152,645,756	203,818,633	209,744,315	138,199,582	112,502,308
Total Deposits.....	1,912,395,780	2,189,428,885	2,438,079,792	2,264,586,736	2,120,997,030

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

52.—Loans of Chartered Banks in Canada and elsewhere, for the calendar years 1918-1922.

Items.	1918.	1919.	1920.	1921.	1922.
	\$	\$	\$	\$	\$
Call and short loans on stocks and bonds in Canada.....	77,555,410	96,673,179	118,956,035	109,542,625	101,320,268
Call and short loans elsewhere than in Canada.....	162,333,308	163,227,204	200,098,050	172,137,325	178,457,564
Current loans in Canada ¹	982,822,203	1,140,395,977	1,410,602,684	1,323,156,731	1,196,883,077
Current loans elsewhere than in Canada.....	106,913,067	140,200,101	186,891,995	156,571,063	149,586,461
Loans to governments.....	5,236,593	8,214,314	13,945,219	12,965,097	9,556,612
Overdue debts.....	4,800,088	4,260,427	4,952,320	6,809,274	7,839,461
Total Loans.....	1,339,660,669	1,552,971,202	1,935,446,303	1,781,184,115	1,643,643,443

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

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