

Bank clearings, though generally regarded as a leading barometer of business conditions, are defective in that they record only inter-bank transactions—transactions through which one bank becomes either the debtor or the creditor of another. They do not record the numerous transactions in which the transfer of value is made within a single bank, as, for example, where the purchaser and the seller of values that are paid for by cheque carry their accounts in the same bank. As the number of separate banks has in recent years been steadily diminishing through amalgamations, there being only 10 in December, 1928, as compared with 18 in 1923, inter-bank transactions are bearing a steadily decreasing proportion to the total of business transacted, a fact which goes far to explain the smallness of the increase in bank clearings from 1924 to 1928, as shown in Table 22.

Bank Debits.—Since bank clearings have ceased to be a satisfactory measure of general business, the Bureau of Statistics in 1923 took up with the Canadian Bankers' Association the advisability of securing a record of bank debits, *i.e.*, of all cheques charged against accounts at any bank. The Bankers' Association agreed to secure from January, 1924, the monthly aggregate figures of the amount of cheques charged to accounts at all banking offices situated in the clearing house cities of Canada, and the figures of cheques charged to accounts (bank debits) are given for the first five years for which the record was compiled in Table 23. The Weyburn Security Bank, operating in southern Saskatchewan, has voluntarily added a record of all cheques charged to accounts at any of its branches.

It will be noted, as establishing the need of the newer record, that bank debits for 1928 show an increase of 60 p.c. over those of 1924, while bank clearings in the later year show an increase of only 44 p.c. The bank debits are a comparable record for the five years; the bank clearings, owing to the reduction in the number of banks, are not a comparable record.

23.—Bank Debits at the Clearing House Cities of Canada, by Individual Cities, calendar years 1924-1928.

Clearing House Centres.	1924.	1925.	1926.	1927.	1928.
	\$	\$	\$	\$	\$
Maritime Provinces—					
Halifax.....	249,104,107	291,519,137	310,156,211	324,547,787	404,665,405
Moncton.....	73,359,527	72,670,817	80,079,852	84,077,248	91,313,729
Saint John.....	262,397,740	208,309,576	214,503,609	219,119,014	249,488,661
Total.....	584,861,374	572,499,530	604,739,672	627,744,049	745,467,795
Quebec—					
Montreal.....	7,502,004,244	7,765,597,874	9,133,357,705	11,779,679,473	13,962,318,025
Quebec.....	533,783,980	606,288,225	663,974,690	745,180,824	794,833,137
Sherbrooke.....	97,202,878	103,338,392	122,139,414	119,046,018	155,506,587
Total.....	8,132,991,102	8,475,224,491	9,909,471,809	12,643,906,315	14,912,657,749
Ontario—					
Brantford.....	65,522,249	97,420,194	104,344,131	120,130,422	143,943,039
Chatham.....	83,843,306	72,552,158	78,113,391	92,586,934	101,383,642
Fort William.....	94,542,523	80,641,924	93,312,892	98,596,600	108,176,187
Hamilton.....	551,817,813	561,986,629	626,899,573	677,172,777	814,420,963
Kingston.....	63,623,168	60,684,605	64,839,958	74,495,420	79,595,640
Kitchener.....	95,723,382	101,458,597	107,791,171	123,269,396	142,995,237
London.....	265,782,161	258,399,664	294,440,263	356,621,944	404,700,773
Ottawa.....	1,957,362,315	2,019,304,868	1,868,014,198	1,922,946,801	2,069,409,008
Peterborough.....	69,005,106	74,622,579	76,225,782	84,632,905	92,760,832
Sarnia.....	—	—	96,815,933	103,209,342	120,923,729
Toronto.....	7,659,055,119	7,587,940,323	8,209,525,043	10,536,876,258	12,673,230,316
Windsor.....	283,117,899	321,031,895	379,061,316	452,282,232	541,319,833
Total.....	11,209,395,041	11,236,043,641	11,998,343,651	14,641,811,031	17,312,849,249