

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, 1934, 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 relative smallness of the increase in bank clearings from 1926 to 1929.

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 question of securing a record of bank debits, *i.e.*, of all cheques charged against accounts at all banks. 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 centres of Canada, and the figures of cheques charged to accounts (bank debits) are given for the years 1931-35 in Table 26.

It will be noted, as establishing the need of the newer record, that bank debits for 1932 decreased 40.6 p.c. as compared with those of 1928, while bank clearings in the later year show a decrease of 47.4 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.

26.—Bank Debits at the Clearing-House Centres of Canada, by Individual Centres, calendar years, 1931-35.

Clearing-House Centre.	1931.	1932.	1933.	1934.	1935.
	\$	\$	\$	\$	\$
Maritime Provinces—					
Halifax.....	330,371,553	257,989,295	254,222,616	275,948,590	310,052,273
Moncton.....	87,229,007	73,548,793	72,568,809	87,228,253	90,680,025
Saint John.....	234,942,909	187,632,726	154,222,107	171,074,214	173,320,562
Totals.....	652,543,469	519,170,814	481,013,532	534,251,057	574,052,860
Quebec—					
Montreal.....	9,756,753,765	7,135,517,032	7,943,786,599	8,834,691,425	8,307,134,410
Quebec.....	701,258,405	560,686,426	558,047,475	550,663,976	606,964,150
Sherbrooke.....	92,060,809	69,997,106	65,236,186	64,354,455	63,430,463
Totals.....	10,550,072,979	7,766,200,564	8,567,070,260	9,449,709,866	8,977,529,023
Ontario—					
Brantford.....	106,212,582	85,438,727	80,401,856	84,950,018	94,186,017
Chatham.....	81,403,262	71,625,208	64,147,944	71,122,708	79,902,107
Fort William.....	66,540,124	55,335,694	47,791,570	49,838,324	50,202,917
Hamilton.....	649,599,942	526,940,741	460,728,640	528,307,959	559,388,191
Kingston.....	64,828,365	55,085,899	51,473,716	52,719,962	55,634,971
Kitchener.....	116,857,177	96,266,553	93,144,698	108,804,353	114,191,829
London.....	365,324,602	315,954,273	299,130,638	334,741,204	362,317,629
Ottawa.....	1,869,730,944	1,579,527,632	1,339,009,715	1,914,296,966	1,444,156,227
Peterborough.....	70,964,205	55,426,709	49,090,223	53,767,240	60,023,193
Sarnia.....	104,000,535	95,058,795	86,377,931	78,158,895	69,145,537
Sudbury.....	58,832,961	40,328,991	41,886,025	48,991,202	55,597,151
Toronto.....	9,512,342,450	8,066,207,006	10,221,687,968	11,389,321,892	10,642,516,427
Windsor.....	310,203,205	215,676,051	192,566,981	204,483,372	289,364,280
Totals.....	13,376,840,354	11,258,872,279	13,027,437,905	14,919,504,095	13,876,626,476