

Cheque Payments.—In advanced industrial societies money is only 'the small change of commerce'. The great bulk of monetary transfers, particularly in the case of the larger transactions, is made through the banks. It has been estimated that about 6 p.c. of the business transactions of the Continent of North America are financed by the use of money and the remaining 94 p.c. by the use of cheques. Accordingly, if the aggregate amount of the cheques paid through the banks and charged to accounts is known, there is an almost complete record of the volume of business transacted, and thus of the business activity of the country.

Bank Debits.—As the number of separate banks has in recent years been steadily diminishing through amalgamations (see pp. 812-813 of the 1941 Year Book), there being only 10 in December, 1940,* as compared with 18 in 1923, inter-bank transactions are a steadily decreasing proportion of total business transacted, and bank clearings have ceased to be a satisfactory measure of general business. The Canadian Bankers' Association have secured 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; monthly and annual figures of cheques charged to accounts (bank debits) have been published since that time by the Dominion Bureau of Statistics. Further, in order that an estimate might be made of the proportion of banking transactions outside the clearing-house cities to the total, the Canadian Bankers' Association secured for the month of January, 1935, the grand total of all cheques charged to accounts at all branch banks throughout the Dominion. The results were published in the Bureau's "Monthly Review of Bank Debits" for February, 1935, and showed that in January, 1935, the aggregate of transactions outside the clearing-house cities was 12½ p.c. of the grand total in the clearing-house cities. In the five economic areas the percentages of debits in the clearing-house centres to debits at points outside such areas were as follows: Maritime Provinces, 49.0 to 51.0; Quebec, 93.5 to 6.5; Ontario, 88.1 to 11.9; Prairie Provinces 92.2 to 7.8; British Columbia, 85.7 to 14.3. The Maritime Provinces was the only area where the debits in clearing-house cities were not over 85 p.c. of the total debits.

The sum of the cheques cashed in clearing centres throughout Canada during 1941 showed a continuance of the upward trend. The total of \$39,243,000,000 represented a gain of 14 p.c. over the \$34,437,000,000 cashed during 1940 and was more than 24 p.c. greater than the amount for 1939. The increase in debits exceeded that shown by several other barometers of economic conditions.

The total volume of bank debits rose in all five economic areas. Ontario recorded the largest increase of 18.4 p.c. British Columbia and the Maritime Provinces advanced in about the same ratio as the Dominion, with Quebec rising by 11 p.c. and the Prairie Provinces by 7.7 p.c.

* Barclays Bank, established in 1929, was the latest addition to the commercial chartered banks in Canada; the number has remained at 10 since 1931.