

12.—Loans, According to Class, Made by Chartered Banks in Canada and Outstanding as at Oct. 31, 1942-44—concluded

Class of Loan	1942	1943	1944
Merchandising, wholesale and retail.....	\$ 123,145,162	\$ 100,044,572	\$ 122,199,056
Manufacturing—dealers in lumber, pulpwood, and products thereof.....	41,644,778	43,425,645	52,839,841
Other manufacturing of all descriptions.....	213,903,129	259,377,198	201,576,162
Mining.....	8,879,638	9,967,090	12,731,923
Fishing, including packers and curers of fish.....	9,647,867	8,314,336	11,558,311
Public utility, including transportation companies.....	14,301,741	13,392,496	6,317,757
Building—contractors and others for building purposes.....	49,380,883	45,505,354	39,047,702
Charitable, religious and educational institutions—churches, parishes, hospitals, etc.....	10,430,679	7,692,424	6,243,283
Other.....	76,185,536	74,424,403	82,032,417
Grand Totals.....	1,106,327,790	1,077,786,092	1,049,568,435

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 commercial banks has in recent years been steadily diminishing through amalgamations (see pp. 812-813 of the 1941 Year Book), there being only 10 in 1944* 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 showed that in that month the transactions outside the clearing-house cities amounted to 12½ p.c. of the grand total in the clearing-house cities.

The dollar volume of cheques cashed in the 33 clearing centres during 1944 amounted to \$60,677,000,000, an increase of \$6,880,000,000 or 12·8 p.c. over 1943 and a larger amount than recorded for any other year. The seasonally adjusted index of bank debits was well maintained throughout the year, featured by abrupt rises in May and November when Victory Loan purchases added sharply to the amount of cheques cashed. When it is recalled that the debits of 1943 were 18·2 p.c. greater than during 1942, a slackening in the pace of expansion is apparent.

The expansion in cheques cashed was general in the five economic areas during 1944. The gain in the Prairie Provinces of nearly 25 p.c. was exceptional. Advances in British Columbia and Quebec amounted to 13·3 p.c. and 12·0 p.c., respectively. The gain in Ontario was 9·0 p.c., the Maritimes following with an increase of 6·7 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.