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BANK DEBITS TO INDIVIDUAL ACCOUNTS

or

Amount of Cheques Passing Through the Banks

at

Clearing House Centres in Canada

MAY 1927

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BANK DEBITS TO INDIVIDUAL ACCOUNTS

or

Amount of Cheques charged against Bank Accounts at the Clearing  
House Centres, May 1927.

The dollar value of business in Canada, as reflected by the aggregate of cheques debited to accounts at clearing house centres, was greater in May than in any other month since the record of bank debits was first compiled in January 1924 with one exception. This surprising result was attained in spite of the fact that debits in May are normally only slightly greater than the monthly average for the year, while the October, November and December totals usually range from 16 p.c. to 22 p.c. above the average.

The total debits in May as reported in the Dominion Bureau of Statistics by the Canadian Bankers' Association, were \$2,986,200,-000, compared with \$2,415,300,000 in the same month last year, an increase of \$571,000,000 or 23.5 p.c. The advance over the same month in 1924 and 1925 was 30.4 p.c. and 30.7 p.c. respectively.

Bank Clearings.

Bank clearings in May were \$1,716,975,000, compared with \$1,465,200,000 in May 1926 and \$1,538,700,000 in April last. The increase over May last year was 17 p.c., while the increase over April, after correction for seasonal variation, was 0.8 p.c. The misleading nature of bank clearing statistics for long-term comparison is demonstrated by the fact that in the first five months of the present year the increase of the clearings over the corresponding period of 1926 was only 10.1 p.c. compared with an increase of 10.8 p.c. in debits, while the increase in clearings over 1925 was only 19 p.c. compared with 23 p.c. in debits and over 1924 only 15.6 p.c. compared with 26 p.c. in debits. The longer the period chosen for comparison, the greater the variation in the results. Owing to bank amalgamations, clearings include a decreasing proportion of the dollar value of business in Canada.

Comparison with April Debits After Seasonal Adjustment.

According to the experience with bank clearings in the twelve-year period from 1913 to 1924, the normal increase in the aggregate debits in May over April is nearly 11 p.c. After adjustment for this seasonal increase, the gain in May debits as compared with April debits, was about 2 p.c. Seasonal indices were also calculated for each of the four large centres. The normal increases in May over the preceding month as determined from the indices of seasonal variation are as follows:- Montreal 14.5 p.c., Toronto 8.0 p.c., Winnipeg 13.0 p.c. and Vancouver 4.0 p.c. In comparing May debits with the preceding month, these indexes are used for the elimination of the seasonal tendency, thus effecting comparability between the months in question. Vancouver showed the substantial increase of 7.5 p.c. over April after seasonal adjustment. The increases at Winnipeg and Toronto during May in this comparison were 3 p.c. and 2 p.c. respectively, while the recession in Montreal was less than 0.5 p.c.



Section 1. The purpose of this Act is to provide for the better regulation of the business of insurance companies in this State.

Section 2. The Board of Insurance Commissioners is hereby created, and it shall have the honor and duty to see that the laws relating to the business of insurance are faithfully executed.

Section 3. The Board of Insurance Commissioners shall have the honor and duty to see that the laws relating to the business of insurance are faithfully executed. It shall also have the honor and duty to see that the laws relating to the business of insurance are faithfully executed.

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First Five Months.

The high level reached in May last has increased the percentage lead of the cumulative totals of the present year over the first five months of 1926. The total in 1927 was \$13,138,000,000 compared with \$11,856,000,000 in the preceding year, an increase of nearly 11 p.c. The advance was mainly in Quebec and Ontario, where increases were 16 p.c. and 15 p.c., respectively, the gain in British Columbia being restricted to one half of 1 p.c. The decline in the Maritime Provinces was about 5 p.c., while the Prairie Provinces show a loss of about 2 p.c. in the same comparison.

Comparison by Areas with May 1926.

Each of the economic areas showed increases in May over the same month last year. Important gains were attained in Quebec, Ontario and British Columbia, while the increases in the Prairie Provinces and the Maritime Provinces were of a more moderate character.

Maritime Provinces.

Increases were shown at St. John and Halifax of 7.2 p.c. and 0.5 p.c. respectively, while a decline of 2 p.c. occurred at Moncton.

Quebec.

The largest percentage increase among the clearing centres of Quebec was shown at Montreal, where the debits were \$939,000,000 compared with \$697,000,000 in May 1926, a gain of 35 p.c. The increase in the province was nearly 33 p.c., the debits in May last being \$1,010,000,000.

Ontario.

Each of the clearing centres in Ontario showed increases in May, the total at Toronto being \$859,600,000 compared with \$644,700,000, an increase of 33 p.c. The net result for the province was an increase of 27 p.c.

Prairie Provinces.

Seven of the clearing centres and the branches of the Weyburn Security Bank showed increases, while the remaining three centres experienced declines. The increase at Winnipeg was nearly 5 p.c., the debits in May amounting to \$345,700,000. The aggregate increase for the three provinces was 6.5 p.c.

British Columbia.

Important increases were shown at each of the centres of British Columbia. The gain in Vancouver was 16 p.c. and greater percentage gains were attained in Victoria and New Westminster. The debits in the province were \$180,700,000, an increase of 18 p.c.

Turnover of Bank Deposits.

Resulting from the large increase in the debits in May compared with an advance of more moderate proportions in the deposits of the chartered banks, the turnover of deposits was much greater in May last than in May 1926. The ratio of debits to deposits in May was 151.5 p.c. compared with 128.6 p.c. in the same month last year. The increase in the deposits during the interval was 5 p.c., while the increase of the debits over May 1926 was 23.5 p.c. This speeding up in the use of bank deposits is generally regarded as indicating greater business and speculative activity.

Comparison with Other Canadian Indexes.

The substantial increase in bank debits over May 1926 is in accord with advances in other general indexes of business activity maintained in the Dominion Bureau of Statistics. The index of the physical volume of business published in the Monthly Review of Business Statistics was 151 compared with 135 in May 1926, while the index of employment was 105.9 on June 1 compared with





101.0 on the same date last year. Active trading on the stock and grain exchanges also contributed to augment the bank debits in May, the number of shares traded on the Montreal stock exchange being 868,605 compared with 335,398 in May 1926.

#### Statistical Tables.

In Table 1 will be found the bank debits in each of the clearing house centres in Canada during May 1927, with the comparative figures for April, 1927, and May 1926. Table 2 gives the debits in the five economic areas by months from January, 1926, to the month under review, and shows the relation of bank clearings to bank debits during the same period. Table 3 presents bank debits in millions of dollars in economic areas and principal clearing centres of Canada in May, with the comparative statistics for the corresponding months of the two preceding years. Table 4 shows the relation of bank debits to deposits for each month from January 1925 to the month under review.

June 24, 1927-KHH.





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June 24 ,1927-KHH.



1. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES  
OF CANADA, MAY 1927, WITH COMPARATIVE FIGURES FOR  
APRIL 1927, AND MAY 1926.

	Debits to Individual Accounts		
	May 1927	April 1927	May 1926
	\$	\$	\$
<u>Maritime Provinces -</u>			
Halifax	25,161,285	25,494,374	25,047,830
Moncton	36,610,646	6,552,451	6,780,009
St. John	19,218,806	16,219,735	17,935,567
Total-Maritime Provinces.....	50,990,737	48,266,560	49,763,406
<u>Quebec -</u>			
Montreal	939,069,499	824,147,770	696,986,600
Quebec	60,924,604	56,754,841	57,086,096
Sherbrooke	10,375,009	9,842,540	8,162,378
Total-Quebec.....	1,010,369,112	890,745,151	762,235,074
<u>Ontario -</u>			
Brantford	9,479,768	8,908,544	8,053,513
Chatham	8,008,712	7,997,032	7,671,747
Fort William	8,769,525	7,218,355	8,430,577
Hamilton	56,368,974	55,547,269	44,902,053
Kingston	6,331,258	5,534,344	5,189,144
Kitchener	10,995,392	9,387,365	8,956,071
London	31,110,427	29,085,877	28,385,338
Ottawa	189,650,705	141,708,915	169,209,512
Peterborough	7,028,234	7,174,744	6,235,631
Sarnia	7,843,060	6,541,291	7,055,748
Toronto	859,618,380	777,881,330	644,689,372
Windsor	42,931,584	39,309,742	36,427,046
Total-Ontario.....	1,238,136,019	1,096,294,808	975,205,752
<u>Prairie Provinces -</u>			
Brandon	4,195,047	3,707,643	3,935,201
Calgary	56,938,615	52,741,566	41,738,053
Edmonton	33,493,633	34,173,688	35,827,987
Lethbridge	3,752,577	4,435,743	4,759,407
Medicine Hat	2,655,576	2,799,842	2,198,000
Moose Jaw	8,212,494	7,770,051	7,553,923
Prince Albert	2,306,812	2,462,595	2,283,345
Regina	33,330,161	27,790,043	33,933,188
Saskatoon	12,361,086	11,789,881	11,074,112
Winnipeg	345,728,212	296,623,807	329,597,073
Branches of the Weyburn Security Bank	3,078,621	3,208,875	2,361,787
Total-Prairie Provinces.....	506,052,834	447,003,734	475,262,076
<u>British Columbia -</u>			
New Westminster	7,605,834	6,420,620	6,244,729
Vancouver	142,207,493	126,649,988	123,266,101
Victoria	30,873,630	24,590,219	23,298,451
Total-British Columbia.....	180,686,957	157,660,827	152,809,281
Grand Total for Canada.....	2,986,235,659	2,639,971,080	2,415,275,589





2. DEBITS TO INDIVIDUAL ACCOUNTS AT CLEARING HOUSE CENTRES IN THE  
ECONOMIC AREAS OF CANADA BY MONTHS, JAN. 1926 TO MAY 1927.  
TOGETHER WITH A COMPARISON OF BANK DEBITS AND BANK CLEARINGS

	Maritime Provinces	Quebec	Ontario	Prairie Provinces
	\$	\$	\$	\$
<u>1926</u>				
January	51,563,878	752,444,279	924,989,899	475,463,231
February	51,804,695	696,392,434	858,887,564	376,395,130
March	48,814,399	727,436,548	908,373,494	454,159,097
April	49,952,564	850,949,479	1,155,085,080	416,644,930
May	49,753,406	762,235,074	75,205,752	475,262,076
June	50,054,587	807,567,722	1,188,223,667	477,406,988
July	58,570,615	783,367,635	954,801,928	464,405,653
August	50,508,566	872,141,402	898,598,704	466,103,585
September	45,718,444	815,750,190	910,956,754	427,115,212
October	50,119,445	984,740,980	1,009,842,978	628,641,368
November	48,117,971	952,754,140	1,078,140,710	664,535,136
December	49,751,102	903,711,926	1,135,237,121	559,513,662
<u>1927</u>				
January	47,297,852	854,175,011	1,120,590,208	432,795,066
February	45,436,824	783,162,631	1,019,539,877	309,465,139
March	47,796,386	865,484,547	1,073,432,247	453,330,273
April	48,266,560	890,745,151	1,096,294,808	447,003,734
May	50,990,737	1,010,369,112	1,238,136,019	506,052,834
First 5 Months, 1927	239,788,359	4,403,936,452	5,547,993,159	2,148,647,046
1926	251,898,942	3,789,457,814	4,822,541,789	2,197,924,464
1925	221,015,267	3,240,831,980	4,291,261,712	2,195,318,711
1924	249,262,680	3,201,134,693	4,310,877,916	1,951,100,801
Percentage of 1927 to 1924	95.1	137.5	128.7	110.0
Percentage of 1927 to 1925	108.5	135.8	129.3	97.8
Percentage of 1927 to 1926	95.2	116.3	115.0	97.7
	British Columbia	Total of Dominion	Bank Clearings	Percent of bk. Debits of Bk. Clearings
	\$	\$	\$	%
<u>1926</u>				
January	163,749,148	2,368,210,435	1,360,527,147	174.0
February	148,740,099	3,132,219,922	1,242,007,999	171.9
March	170,528,810	2,309,312,348	1,347,825,461	171.4
April	158,849,387	2,631,487,440	1,472,408,348	179.0
May	152,809,281	2,415,275,589	1,465,171,669	164.9
June	160,904,032	2,684,156,996	1,469,252,796	182.9
July	163,209,838	2,424,355,669	1,444,014,544	168.0
August	158,892,735	2,446,244,992	1,403,506,918	174.4
September	157,660,527	2,357,181,127	1,383,628,097	170.5
October	157,437,979	2,830,782,750	1,648,177,107	171.9
November	172,110,950	2,915,658,907	1,737,742,667	167.7
December	194,940,032	2,843,153,843	1,746,311,436	162.9
<u>1927</u>				
January	163,972,493	2,618,830,630	1,514,206,719	172.9
February	135,472,472	2,293,076,943	1,304,673,659	176.0
March	160,324,118	2,600,367,571	1,476,275,855	176.1
April	157,660,827	2,639,971,080	1,538,651,555	171.5
May	180,686,957	2,986,235,659	1,716,975,010	173.9
First 5 Months 1927	798,116,867	13,138,481,883	7,550,782,758	174.0
1926	794,676,725	11,856,499,734	6,858,794,350	173.0
1925	712,630,241	10,661,057,911	6,335,517,929	168.5
1924	696,044,622	10,408,420,712	6,533,366,023	159.5
Percentage of 1927 to 1924	114.6	126.1	115.6	-
Percentage of 1927 to 1925	112.0	123.1	119.2	-
Percentage of 1927 to 1926	110.5	110.8	110.1	-







3. BANK DEBITS IN MILLIONS OF DOLLARS IN ECONOMIC AREAS AND PRINCIPAL CLEARING CENTRES OF CANADA IN MAY 1925, 1926 AND 1927.

	Month of May			Percentage of 1927 to 1925	Percentage of 1927 to 1926
	1925	1926	1927		
Maritime Provinces	47.1	49.8	51.0	108.3	102.4
Quebec	668.8	762.2	1,000.4	151.0	132.5
Montreal	611.7	697.0	939.1	153.6	152.6
Ontario	960.2	975.2	1,238.1	128.8	127.1
Toronto	615.7	644.7	859.6	139.6	133.2
Prairie Provinces	461.6	475.3	506.1	110.0	106.6
Winnipeg	337.6	329.6	345.7	102.4	104.9
British Columbia	144.2	152.8	180.7	125.4	146.6
Vancouver	114.0	123.3	142.2	124.7	115.4
Canada.....	2,281.8	2,415.3	2,986.2	130.7	123.5

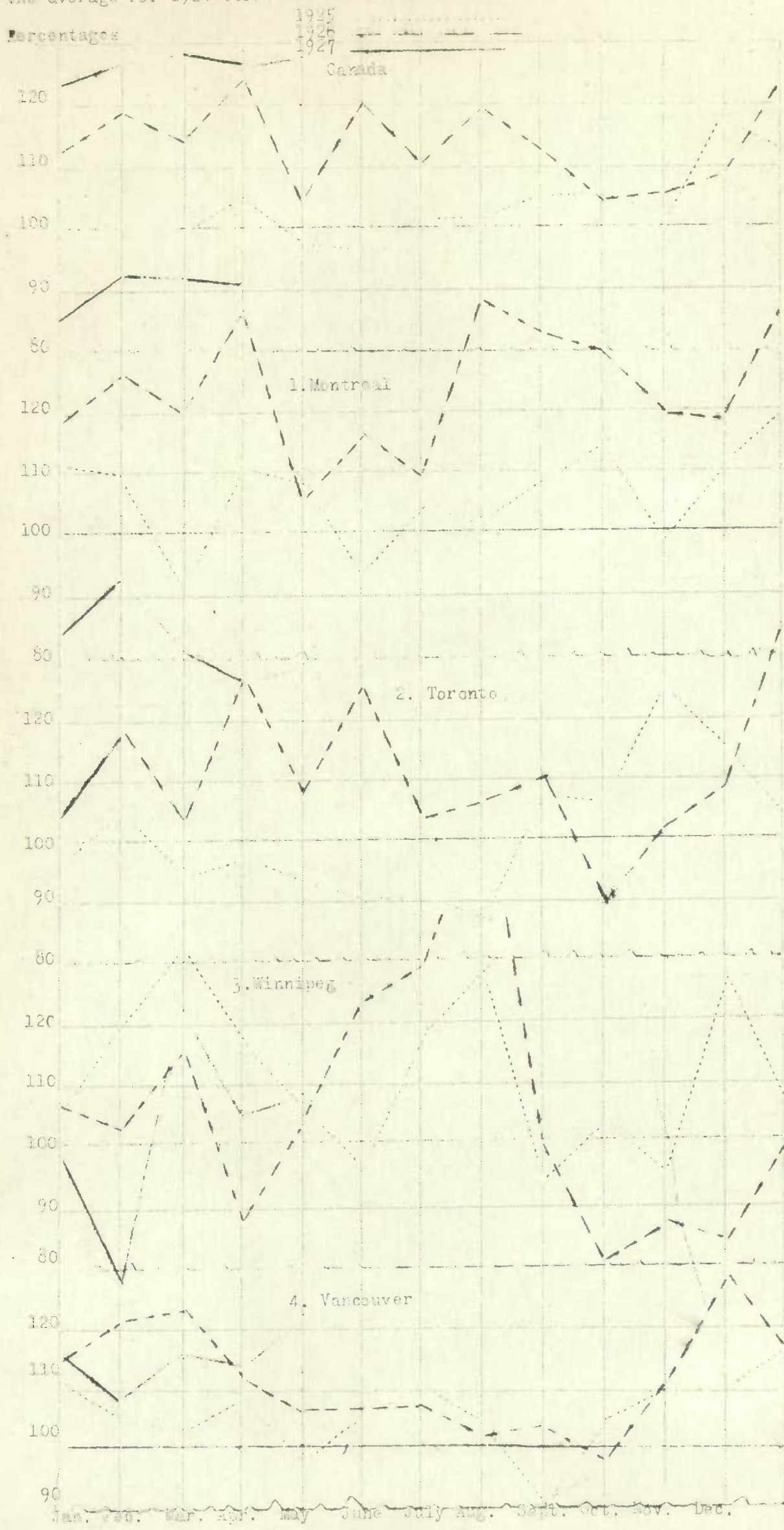
4. BANK DEPOSITS AND BANK DEBITS AND RATIO OF DEBITS TO DEPOSITS, JANUARY 1925, TO MAY 1927

	Demand and Notice Deposits in Canada as at last day of preceding month	Bank Debits	Percentage of Bank Debits to Deposits in Canada
	(000's omitted)	(000's omitted)	%
<u>1925</u>			
January	1,832,936	2,230,036	121.6
February	1,752,412	1,915,042	109.2
March	1,743,706	2,005,027	115.0
April	1,757,678	2,229,175	126.9
May	1,777,186	2,281,818	128.3
June	1,732,604	2,151,207	124.2
July	1,749,192	2,248,362	128.5
August	1,735,823	2,090,152	120.5
September	1,755,936	2,195,917	125.0
October	1,838,500	2,872,086	154.6
November	1,876,350	2,786,635	148.4
December	1,953,068	3,120,645	159.8
Average.....	1,793,774	2,343,836	130.6
<u>1926</u>			
January	1,916,325	2,368,210	123.5
February	1,840,297	2,132,220	116.0
March	1,842,302	2,309,710	125.2
April	1,897,262	2,631,481	138.9
May	1,877,713	2,415,276	128.6
June	1,840,297	2,684,157	145.7
July	1,880,723	2,424,356	128.9
August	1,868,987	2,446,245	131.0
September	1,875,592	2,357,182	127.0
October	1,894,711	2,830,783	149.5
November	1,923,494	2,915,659	151.5
December	1,970,178	2,843,151	144.4
Average.....	1,885,623	2,529,836	134.0
<u>1927</u>			
January	1,931,653	2,618,831	132.0
February	1,941,213	2,293,077	118.1
March	1,926,134	2,600,368	135.0
April	1,947,947	2,659,971	135.5
May	1,970,085	2,936,236	151.5





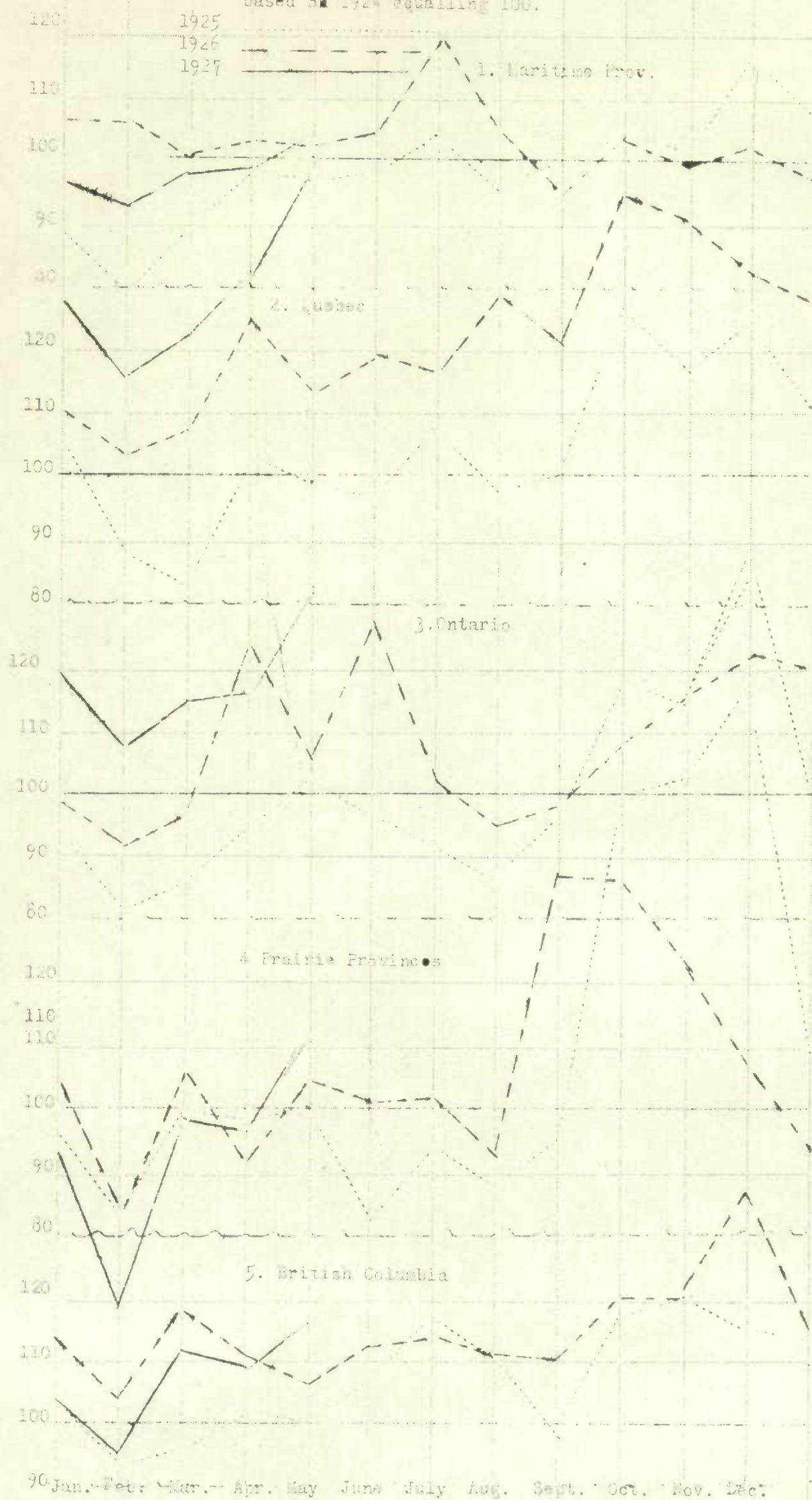
Bank Debits in Canada and Principal Clearing Centres shown in Percentages of the average for 1924 corrected for Seasonal Variation.





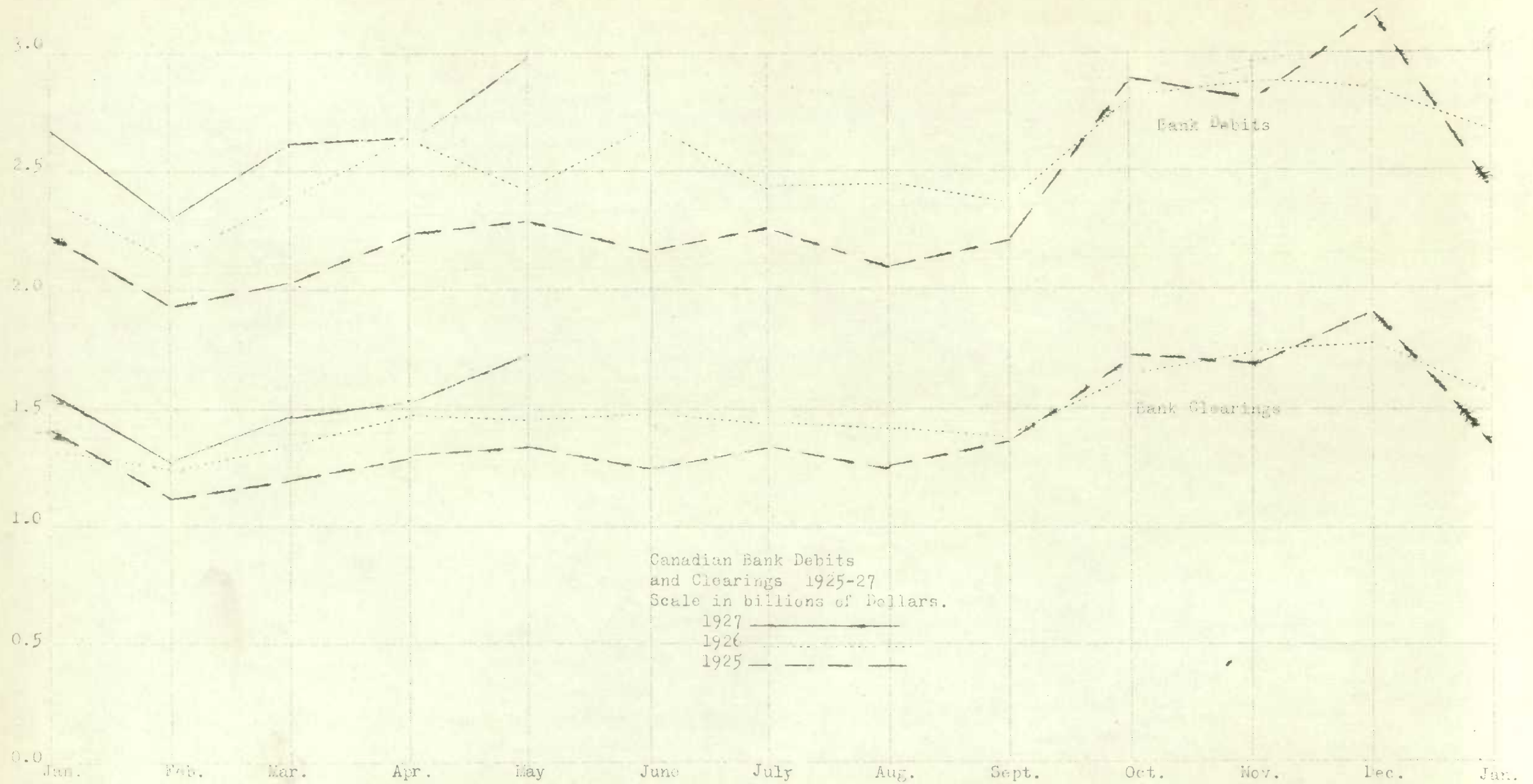


Index Numbers of Bank Deposits in the Economic Areas  
based on 1924 equalling 100.









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