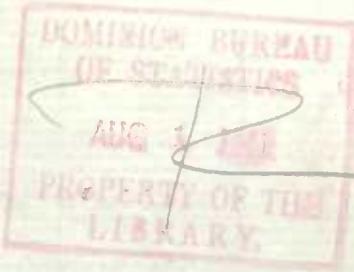


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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
GENERAL STATISTICS BRANCH

Vol. 18

No. 6

BANK DEBITS TO INDIVIDUAL ACCOUNTS

and

Equation of Exchange

JUNE 1941

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DOMINION BUREAU OF STATISTICS - OTTAWA

GENERAL STATISTICS BRANCH

Dominion Statistician:

R. H. Coats, LL.D., F.R.S.C., F.S.S.(Hon.)
Sydney B. Smith, M.A.BANK DEBITS TO INDIVIDUAL ACCOUNTS, JUNE, 1941.

The amount of cheques cashed by branch banks in Canada was at a particularly high level in June reflecting payments for the recent Victory Loan. The total was \$4,241 million against \$2,682 million in the same month last year. The gain of 58 p.c. was shared by each of the five economic areas.

The gain in the Maritime Provinces was 54.4 p.c. the total rising from \$62 million to nearly \$96 million. The gains in Montreal and the province of Quebec were 63 p.c. and 57.5 p.c. respectively. Montreal debits rose from \$665 million to \$1,080 million in the month under review. Each of the 14 centres in Ontario showed gains over the same month one year ago. The gain in Ottawa was 93 p.c. while Toronto showed a rise of 55 p.c. The aggregate for the provinces was \$2,046 million against \$1,253 million in June last year. The cheques cashed in St. Catharines unreported for last year were \$21.9 million in June. Each of the 10 centres in the Prairie Provinces recorded important gains in this comparison. The total was \$650 million against \$455 million, a gain of nearly 43 p.c. The rise in British Columbia was 66 p.c. the total in June having been \$275 million.

Comparison with the first 6 months of 1940.

The marked increase in bank debits during June had an important effect upon the half yearly total. The amount of cheques cashed in the first half of the present year was \$18,810 million against \$17,002 million in the same period last year. The consequent increase was \$1,808 million or 10.6 p.c. Each of the five economic areas recorded advances in this respect. Increases were shown in 31 of the 33 centres now reporting. The gain in the Maritime Provinces was 12.4 p.c. the total having been \$450 million against \$400 million. Montreal and Sherbrooke recorded gains, the total for the province of Quebec having been \$5,221 million against \$5,071 million. The increase was 3 p.c. or nearly \$150 million. Bank debits for each of the 14 centres in Ontario recorded gains over the same period of last year. Debits in Toronto were \$5,776 million against \$5,307 million, a gain of 9 p.c. The total for the province was \$8,924 million against \$7,489 million, an increase of 19.2 p.c. Each of the 10 centres in the Prairie Provinces except Winnipeg recorded increases over the first half of 1940. The total for the Prairie Provinces was \$3,048 million compared with \$2,997 million, a gain of nearly 2 p.c. or \$51 million. The gain in British Columbia was nearly 12 p.c. advances having been shown in each of the 3 clearing centres.

Comparison with May after seasonal adjustment.

The increase in bank debits over May after seasonal adjustment amounted to 42 p.c. in the Dominion total. Appreciable advances were shown in each of the five economic areas. The greatest change was recorded in Ontario. The total moved up from \$1,449 million to \$2,046 million, a gain of 44 p.c. The increase in the Maritime Provinces and Quebec, after seasonal adjustment, amounted to 34.5 p.c. and 25.8 p.c. respectively. The adjusted total for the Prairie Provinces showed an increase of 6.6 p.c. the total having been \$650 million against \$633 million. The gain in British Columbia was 35 p.c. an advance of 48.6 p.c. having been shown in Vancouver.

Comparison with other Factors.

The index of bank debits on the base of 1935-39 was 119.0 against 75.3 in the same month one year ago. The index of the national income on the same base was 130.3 in the preceding month against 119.6 in May of last year. Marked advances were also shown in the index of the physical volume of business and in employment in manufacturing industries. The index of wholesale prices was 88.5 in May against 82.1 in the same month last year.

Circulating media in the hands of the public was estimated at \$428.6 million in June against \$303.1 million one year ago. Deposits rose from \$2,785 million to \$3,045 million in the same period. The cash and cheque payments were estimated at \$5,335 million in June against \$3,412 million in June, 1940.

1. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE

CENTRES OF CANADA, JUNE, 1941, WITH COMPARATIVE

FIGURES FOR MAY, 1941 AND JUNE, 1940.

Provinces and Clearing House Centres	DEBITS TO INDIVIDUAL ACCOUNT		
	June, 1941	May, 1941	June, 1940
<u>Maritime Provinces -</u>	\$	\$	\$
Halifax	54,028,662	42,114,807	32,663,527
Moncton	13,748,774	12,016,763	11,244,585
Saint John	27,826,457	21,767,499	17,997,298
Total - Maritime Provinces.	95,603,893	75,899,069	61,905,410
<u>Quebec -</u>			
Montreal	1,080,267,910	818,554,511	664,521,700
Quebec	81,465,810	95,514,439	72,391,150
Sherbrooke	11,880,955	10,003,339	8,344,269
Total - Quebec	1,173,614,675	924,072,289	745,257,119
<u>Ontario -</u>			
Brantford	16,419,217	14,415,468	11,571,759
Chatham	16,542,242	8,531,256	11,462,533
Fort William	13,260,463	9,463,192	6,972,304
Hamilton	110,696,173	99,073,149	70,366,208
Kingston	11,194,813	8,649,573	7,589,570
Kitchener	28,811,836	17,757,274	13,402,555
London	65,036,097	39,898,204	37,206,733
Ottawa	296,121,167	215,858,623	153,274,545
Peterborough	12,287,133	9,759,001	7,597,460
St. Catharines	21,884,727	16,938,871	-
Sarnia	9,986,214	9,237,012	7,275,700
Sudbury	9,423,298	8,379,353	8,280,177
Toronto	1,357,932,987	925,258,584	873,848,550
Windsor	76,233,053	66,207,853	44,193,892
Total - Ontario	2,045,829,420	1,449,427,413	1,253,041,986
<u>Prairie Provinces -</u>			
Brandon	5,623,147	4,576,718	3,170,140
Calgary	99,792,644	79,544,794	58,605,522
Edmonton	60,204,333	51,052,347	45,692,507
Lethbridge	6,086,049	5,481,634	4,502,685
Medicine Hat	4,198,620	3,066,553	2,278,575
Moose Jaw	8,499,636	10,432,686	6,494,517
Prince Albert	3,980,760	3,638,268	2,521,129
Regina	77,190,915	42,465,700	38,108,904
Saskatoon	15,062,068	14,120,762	10,970,448
Winnipeg	369,686,428	418,889,135	283,074,253
Total - Prairie Provinces .	650,324,600	633,268,597	455,418,680
<u>British Columbia -</u>			
New Westminster	9,041,227	8,851,809	7,299,787
Vancouver	215,081,389	143,424,695	126,003,922
Victoria	51,134,731	30,927,898	32,658,064
Total - British Columbia ..	275,257,347	183,204,402	165,961,773
<u>GRAND TOTAL FOR CANADA</u>	4,240,629,935	3,265,871,770	2,681,584,968

2. DEBITS TO INDIVIDUAL ACCOUNTS AT CLEARING HOUSE CENTRES IN THE ECONOMIC
 AREAS OF CANADA, BY MONTHS, JUNE, 1940 TO JUNE, 1941.
 TOGETHER WITH A COMPARISON OF BANK DEBITS AND BANK CLEARINGS.

	Maritime Provinces	Quebec	Ontario	Prairie Provinces
	\$	\$	\$	\$
<u>1940</u>				
June	61,905,410	745,257,119	1,253,041,986	455,418,680
July	71,141,920	769,700,819	1,089,367,060	515,742,344
August	64,351,969	724,172,589	1,107,452,178	383,820,777
September	62,667,729	716,101,848	1,093,211,887	530,983,263
October	77,319,310	917,710,762	1,716,283,480	612,116,056
November	78,503,582	823,997,261	1,426,847,988	544,347,983
December	70,488,550	950,594,706	1,462,587,397	534,174,961
<u>1941</u>				
January	72,797,463	780,324,219	1,462,604,924	448,855,061
February	59,694,619	714,453,493	1,217,770,707	374,910,072
March	71,774,620	807,077,030	1,358,051,700	424,559,605
April	73,762,823	821,216,702	1,389,858,770	515,896,022
May	75,899,069	924,072,289	1,449,427,413	633,268,597
June	95,603,893	1,173,614,675	2,045,829,420	650,324,600
Total for six Months				
1941	449,532,487	5,220,758,408	8,923,542,934	3,047,813,957
1940	400,016,776	5,070,782,622	7,488,653,490	2,997,221,817
1939	309,608,139	4,941,994,526	6,889,973,802	2,005,274,569
1938	306,079,817	4,695,754,069	6,850,827,040	1,839,310,896
1937	371,303,143	5,932,431,680	8,463,665,024	2,349,504,892
1936	300,965,116	5,256,266,771	7,585,114,670	3,102,480,617
1935	262,825,095	4,379,880,552	7,080,079,522	2,696,220,435
1934	249,038,840	4,553,941,818	7,138,804,527	2,706,864,386
Percentage of				
1941 to 1940	112.4	103.0	119.2	101.7
	British Columbia	Total Dominion	Bank Clearings	Percentage of Bank Debits to Bank Clearings
	\$	\$	\$	%
<u>1940</u>				
June	165,961,773	2,681,584,968	1,456,621,363	184.1
July	176,595,329	2,622,547,472	1,428,482,773	183.6
August	177,908,705	2,457,706,218	1,375,709,392	178.7
September	168,271,035	2,571,235,762	1,411,782,770	182.1
October	203,195,102	3,526,624,710	1,790,669,214	196.9
November	175,625,391	3,049,322,205	1,715,827,604	177.7
December	190,501,963	3,208,347,577	1,686,060,401	190.3
<u>1941</u>				
January	176,522,530	2,941,104,197	1,623,413,259	181.2
February	173,353,521	2,540,182,412	1,445,652,847	175.7
March	176,682,898	2,838,145,853	1,613,379,358	175.9
April	183,431,143	2,984,165,460	1,652,991,682	180.5
May	183,204,402	3,265,871,770	1,934,466,685	168.8
June	275,257,347	4,240,629,935	1,914,166,184	241.1
Total for six months				
1941	1,168,451,841	18,810,099,627	10,184,070,015	184.7
1940	1,045,015,830	17,001,690,535	9,097,255,609	186.9
1939	936,452,474	15,133,303,510	8,336,195,404	181.5
1938	893,496,497	14,585,068,319	8,117,155,613	179.7
1937	1,069,103,063	18,186,007,802	9,475,269,467	191.9
1936	1,002,025,413	17,246,852,587	9,140,060,044	188.7
1935	797,130,117	15,216,135,721	8,044,315,213	189.2
1934	794,062,698	15,442,712,269	7,540,486,255	204.8
Percentage of				
1941 to 1940	111.8	110.6	111.9	-

3. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE
CENTRES OF CANADA DURING THE FIRST HALF-YEAR OF 1941, COMPARED
WITH THE SAME PERIOD OF 1940.

	First half-year of 1941	First half-year of 1940	Increase (+) Decrease (-)	Percentage of 1941 to 1940
	\$	\$	\$	P.C.
<u>Maritime Provinces -</u>				
Halifax	251,150,720	227,931,670	+ 23,219,050	110.2
Moncton	69,679,898	59,742,322	+ 9,937,576	116.6
Saint John	128,701,869	112,342,784	+ 16,359,085	114.6
Total - Maritime Provinces	449,532,487	400,016,776	+ 49,515,711	112.4
<u>Quebec -</u>				
Montreal	4,674,883,499	4,444,513,882	+ 230,369,617	105.2
Quebec	491,659,449	580,359,794	- 88,700,345	84.7
Sherbrooke	54,215,460	45,908,946	+ 8,306,514	118.1
Total - Quebec	5,220,758,408	5,070,782,622	+ 149,975,786	103.0
<u>Ontario -</u>				
Brantford	77,621,744	62,459,435	+ 15,162,309	124.3
Chatham	59,147,841	58,152,768	+ 995,073	101.7
Fort William	51,313,282	35,517,205	+ 15,796,077	144.5
Hamilton	528,751,762	397,994,508	+ 130,757,254	132.9
Kingston	48,325,490	43,129,157	+ 5,196,333	112.0
Kitchener	108,421,186	84,713,672	+ 23,707,514	128.0
London	248,782,297	216,362,668	+ 32,419,629	115.0
Ottawa	1,474,320,819	907,934,682	+ 566,386,137	162.4
Peterborough	53,715,477	43,708,290	+ 10,007,187	122.9
St. Catharines.....	38,823,598	-	+ 38,823,598	-
Sarnia	46,374,315	37,675,542	+ 8,698,773	123.1
Sudbury	45,261,279	44,488,383	+ 772,896	101.7
Toronto	5,776,049,177	5,307,146,273	+ 468,902,904	108.8
Windsor	366,634,667	249,370,907	+ 117,263,760	147.0
Total - Ontario	8,923,542,934	7,488,653,490	+ 1,434,889,444	119.2
<u>Prairie Provinces -</u>				
Brandon	23,393,762	17,452,632	+ 5,941,130	134.0
Calgary	444,930,364	343,914,679	+ 101,015,685	129.4
Edmonton	300,072,311	249,635,898	+ 50,436,413	120.2
Lethbridge	30,066,635	25,349,399	+ 4,717,236	118.6
Medicine Hat	18,517,208	12,688,837	+ 5,828,371	145.9
Moose Jaw	50,063,989	40,440,513	+ 9,623,476	123.8
Prince Albert	20,092,446	14,825,046	+ 5,267,400	135.5
Regina	281,525,489	224,020,146	+ 57,505,343	125.7
Saskatoon	72,907,266	62,069,757	+ 10,837,509	117.5
Winnipeg	1,806,244,487	2,006,824,910	- 200,580,423	90.0
Total - Prairie Provinces..	3,047,813,957	2,997,221,817	+ 50,592,140	101.7
<u>British Columbia -</u>				
New Westminster	49,969,111	42,438,564	+ 7,530,547	117.7
Vancouver	915,465,755	823,511,992	+ 91,953,763	111.2
Victoria	203,016,975	179,065,274	+ 23,951,701	113.4
Total - British Columbia .	1,168,451,841	1,045,015,830	+ 123,436,011	111.8
GRAND TOTAL FOR CANADA ...	18,810,099,627	17,001,690,535	+ 1,808,409,092	110.6

4. FIVE ECONOMIC FACTORS WITH SEASONAL ADJUSTMENT WHERE NECESSARY.

	Bank Debits	National Income	Physical Volume Business	Common Stocks	Employment in Manufacturing (1st of following month)	Wholesale Prices
<u>1940</u>		1935-1939=100				1926=100
June	75.3	113.3	120.0	65.5	127.7	81.6
July	78.0	124.9	120.9	66.1	131.4	82.4
August	79.5	120.2	128.6	69.3	134.5	82.7
September	81.4	116.7	130.1	75.8	139.3	83.1
October	97.2	126.7	129.0	74.2	143.3	83.3
November	83.4	127.0	129.7	74.5	146.3	84.0
December	90.0	124.4	128.3	70.3	152.1	84.2
<u>1941</u>						
January	92.6	125.2	130.5	71.3	152.9	84.6
February	86.2	122.7	126.1	66.5	154.0	85.2
March	92.9	122.7	124.0	66.8	161.1	85.9
April	95.0	128.4	127.9	65.8	161.0	86.6
May	91.3	130.3	132.0	63.9		88.5
June	119.0	7	135.3	64.0		90.0

5.	Bank of Canada Notes	Circulation of Bank Notes	Total Notes in Hands of Public	Subsidiary Coin in Hands of Public	Circulating Media in Hands of Public (m)
1940	(1)	(2)	(3)	(4)	(5) (3 + 4)
June	230,372,781	94,299,428	264,668,621	38,403,750	303,072,371
July	272,565,020	97,286,050	307,333,286	38,901,250	346,234,536
August	291,676,133	92,271,313	302,763,707	39,398,750	342,162,457
September	306,533,742	93,382,294	325,938,870	39,896,250	365,835,120
October	331,957,412	92,558,303	337,844,271	40,393,750	378,238,021
November	332,354,797	91,624,793	338,213,181	40,891,250	379,104,431
December	335,487,344	90,903,096	347,378,004	41,388,750	388,766,754
<u>1941</u>					
January	359,949,121	83,788,640	341,455,563	41,886,250	383,341,813
February	343,502,920	81,456,155	343,336,589	42,383,750	386,220,339
March	352,945,953	82,439,057	359,965,464	42,881,250	402,846,714
April	365,323,365	83,467,245	364,896,139	43,378,750	408,274,889
May	372,596,683	81,377,405	361,822,103	43,876,250	405,698,353
June	379,425,574	83,282,285	384,219,083	44,373,500	428,592,583

6. BANK DEPOSITS AND BANK DEBITS AND RATIO OF DEBITS TO DEPOSITS

JUNE, 1940 TO JUNE, 1941.

	Notice	Demand	Dominion Government	Provincial Government	Sum of Deposits M ₁	Percentage of Bank Debits to Deposits in Canada
Last Day of Preceding Month - Millions of Dollars						
<u>1940</u>						
June	1,643.1	816.9	239.5	85.2	2,784.7	96.3
July	1,608.9	821.2	203.0	73.4	2,706.5	96.9
August	1,612.6	851.5	136.8	73.5	2,674.4	108.8
September	1,634.4	877.4	113.9	63.2	2,688.9	95.6
October	1,655.0	1,003.9	76.1	64.8	2,799.8	126.0
November	1,599.5	941.3	176.4	60.5	2,777.7	109.8
December	1,625.9	962.5	95.6	73.5	2,757.5	116.3
<u>1941</u>						
January	1,641.3	1,030.7	66.2	66.5	2,804.7	104.9
February	1,668.1	1,009.2	128.4	66.9	2,872.6	88.4
March	1,687.0	1,051.4	174.9	75.5	2,988.8	95.0
April	1,702.7	1,050.5	154.6	64.4	2,972.2	100.4
May	1,707.6	1,123.0	141.7	86.4	3,063.7	106.6
June	1,695.2	1,105.2	158.7	92.0	3,045.1	139.3

7. BANK DEBITS, VELOCITY OF DEPOSITS, TOTAL PAYMENTS BY CASH AND CHEQUE (THOUSAND DOLLARS)

	Bank Debits in 32 Centres	Bank Debits Adding $12\frac{1}{2}$ p.c. ($M_1 V_1$)	Velocity of Bank Deposits V_1	Bank Debits less five larger centres	Cash Payments (M.V.)	Cash and cheque payments $M_1 V_1 + M V$
1940	(1)	(2)	(3)	(4)	(5)	(6)
June	2,681,585	3,016,783	1.12	580,861	395,448	3,412,231
July	2,622,547	2,950,365	1.09	599,206	439,667	3,390,032
August	2,457,706	2,764,919	1.03	582,494	396,480	3,161,399
September	2,571,236	2,892,641	1.08	619,647	460,294	3,352,935
October	3,526,625	3,967,453	1.42	788,396	625,719	4,593,172
November	3,049,322	3,430,487	1.24	670,458	547,654	3,978,141
December	3,208,348	3,609,392	1.31	728,471	593,317	4,202,709
<u>1941</u>						
January	2,941,104	3,308,742	1.18	642,477	526,980	3,835,722
February	2,540,182	2,857,705	.99	561,857	445,447	3,303,152
March	2,838,146	3,192,914	1.07	625,794	502,169	3,695,083
April	2,984,165	3,357,186	1.13	667,579	537,474	3,894,660
May	3,265,872	3,674,106	1.13	743,884	534,082	4,208,188
June	4,240,630	4,770,709	1.13	921,540	564,221	5,334,930

8. MONEY SUPPLY AND NATIONAL INCOME

Millions of Dollars and Indexes, 1926=100

	Index of cash and cheque payments	Money Supply $M_1 + M$	National Income	General Price Level	Real Income	Index of National Income P T
1940	(1)	(2)	(3)	(4)	(5)	(6)
June	106.8	3,087.8	381.5	93.9	406.3	101.9
July	106.1	3,052.7	420.6	94.2	446.5	112.3
August	98.9	3,016.6	404.7	94.5	428.3	108.1
September	104.9	3,054.7	393.2	94.8	414.8	105.0
October	143.7	3,178.0	426.7	95.1	448.7	113.9
November	124.5	3,156.8	427.7	95.4	448.3	114.2
December	131.5	3,145.3	418.9	95.7	437.7	111.9
<u>1941</u>						
January	120.0	3,188.0	421.7	96.0	439.3	112.6
February	103.4	3,258.8	413.3	96.3	429.2	110.4
March	115.6	3,391.6	413.3	96.6	427.8	110.4
April	121.9	3,380.5	432.4	96.9	448.6	115.5
May	131.7	3,469.4	438.8	97.6	449.6	117.2
June	167.0	3,473.7				

TABLE 9. - TOTAL PAYMENTS BY CHEQUE AND CASH, MONEY SUPPLY AND NATIONAL INCOME.

Millions of Dollars and Indexes, 1926 = 100

Year	Cash and Cheque Payments $M_1 V_1 + MV$	Cash and Cheque Payments Index	Money Supply $M_1 + M$	National Income	General Price Level	Real Income	Index of National Income P T
1920	42,306.6	110.3	2,342	4,614	121.7	3,791	102.7
1921	35,788.6	93.3	2,175	3,735	105.9	3,527	83.1
1922	33,281.2	86.8	1,983	3,762	96.7	3,891	83.7
1923	35,718.4	93.2	1,990	3,945	97.0	4,067	87.8
1924	34,580.3	90.2	2,001	3,854	97.9	3,937	85.8
1925	35,610.4	92.9	2,059	4,161	99.3	4,194	92.6
1926	38,343.8	100.0	2,151	4,494	100.0	4,494	100.0
1927	45,375.3	118.3	2,274	4,682	101.3	4,622	104.2
1928	54,364.4	141.8	2,452	5,138	102.3	5,022	114.3
1929	58,356.5	152.2	2,497	5,149	104.8	4,913	114.6
1930	46,791.3	122.0	2,326	4,326	98.8	4,378	96.3
1931	39,174.5	102.2	2,274	3,498	88.0	3,975	77.8
1932	32,152.0	83.9	2,121	2,893	80.2	3,608	64.4
1933	37,341.9	97.4	2,106	2,795	79.6	3,511	62.2
1934	41,027.1	107.0	2,136	3,171	81.5	3,890	70.6
1935	39,343.3	102.6	2,272	3,381	83.0	4,074	75.2
1936	44,846.0	117.0	2,422	3,829	84.2	4,547	85.2
1937	44,039.7	114.9	2,583	4,342	89.8	4,835	96.6
1938	38,728.8	101.0	2,650	4,246	90.9	4,672	94.5
1939	39,595.1	103.3	2,833	4,409	90.3	4,883	98.1
1940	44,210.8	115.3	3,082	4,784	94.0	5,090	106.5

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