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BANK DEBITS TO INDIVIDUAL ACCOUNTS

and

Equation of Exchange

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BANK DEBITS TO BANK FOR ALL ACCOUNTS

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BANK DEBITS TO INDIVIDUAL ACCOUNTS, APRIL, 1942.

The amount of cheques cashed in the clearing centres of Canada was \$3,733 million in April, a gain of 25 p.c. over the same month of last year. The total for the same month of 1941 was \$2,984 million. The marked advance was due to more active business conditions coupled with a higher level of commodity prices.

Each of the five economic areas recorded notable gains over the same month of last year. The increase in the Maritimes was 16.0 p.c., the total in April having been \$85.6 million. Debits in Montreal rose from \$737 million to \$908 million, the total for the province in April having been in excess of \$1 billion compared with \$821 million in April last year. Ottawa debits were \$500.6 million against \$242 million in April 1941, the advance in Toronto having been from \$851 million to \$1,053 million. The net result for the province of Ontario was an increase from \$1,390 million to \$1,895 million, a gain of no less than 36.3 p.c. The gain in the Prairie Provinces was from \$516 million to \$537 million amounting to 4.1 p.c. The debits in Winnipeg were \$324 million against \$303 million in the same month last year. The advance in British Columbia was 16.8 p.c., the total having been \$214 million against \$183 million. The debits in Vancouver rose from \$143 million to \$172 million.

Comparison with the First Four Months of 1941.

Bank debits in the first four months of the present year were \$14,034 million against \$11,304 million, an increase of \$2,730 million. Consequently the standing was 24.2 p.c. over the same period of 1941. With one exception, advances were recorded in each of the thirty-one centres for which statistics are available. The increase in the Maritime Provinces was from \$278 million to \$346 million, amounting to 24.4 p.c. The gain in Montreal was 25.8 p.c., the total rising from \$2,776 million to \$3,493 million. The gain in the Province of Quebec was 24.8 p.c., the total in the first four months of the present year having been \$3,899 million. The gain in Ontario was \$1,482 million, the total in the first four months having been \$6,911 million. The increase shown in the 13 clearing centres amounted to 27.3 p.c. The gain of 13.5 p.c. in the Prairie Provinces reflected the change from \$1,764 million last year to \$2,002 million in the period under review. Gains were shown in the three clearing centres of British Columbia, the net result being an increase of 23.4 p.c. The total in the present year was \$876 million against \$710 million, the greatest absolute increase having been registered in Vancouver.

Comparison with March After Seasonal Adjustment.

Owing to heavy payments on the second Victory Loan, bank debits recorded a decline in April after seasonal adjustment from the high standing of March. Debits in April were \$3,733 million against \$4,177 million in the preceding month. The indicated decline irrespective of seasonal tendencies was about 13 p.c. A minor gain was shown in the Prairie Provinces in this comparison, while the four other economic areas showed decline. The total in the Maritime Provinces was \$85.6 million against \$105.5 million in March. The debits of Quebec dropped from \$1,132 million to \$1,002 million. After seasonal adjustment the debits in Toronto showed decline of 7.2 p.c., while the provincial total for Ontario was down 11.1 p.c. The aggregate for the Prairie Provinces rose from \$529 million to \$537 million. Even after seasonal adjustment the gain was 0.7 p.c. A decline, however, of 6.3 p.c. was shown in Winnipeg after the usual adjustment. The debits of British Columbia were \$214 million in April against \$256 million in the preceding month, the debits of Vancouver dropping from \$211 million to \$172 million.

The Turnover of Current and Savings Accounts.

Debits charged to current accounts including government balances amounted to \$3,569 million in April. The standing of the accounts at the beginning of the month was \$1,755 million the indicated turnover having been 2.03. Debits charged to savings accounts were \$163.9 million. The savings deposits amounted to \$1,549.6 million, the turnover consequently being .106. The turnover of current accounts in March last was 2.60, whereas the turnover of savings was .143.

Circulating media in the hands of the public amounted to \$530 million at the beginning of April against \$408 million on the same date last year. Notes in the hands of the public rose from \$365 million to \$481 million, while it is estimated that the subsidiary coin in active circulation was \$49 million against \$43 million a year ago. The sum of the four classes of deposits was \$3,304.9 million at the beginning of April against \$2,972 million last year. Notice and provincial government deposits were at a lower position, while demand and Dominion government deposits were at a considerably higher point. Cash and cheque payments were estimated at \$4,984 million in April against \$3,895 million in April of 1941.

Table 1. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES OF CANADA, APRIL, 1942, WITH COMPARATIVE FIGURES FOR MARCH, 1942 AND APRIL, 1941, AND BANK CLEARINGS, APRIL, 1942.

Province and Clearing House Centres	DEBITS TO INDIVIDUAL ACCOUNTS			Bank Clearings
	April, 1942	March, 1942	April, 1941	
	\$	\$	\$	\$
<u>Maritime Provinces -</u>				
Hallifax	47,548,881	60,648,142	41,937,300	16,066,972
Moncton	14,067,844	14,789,549	11,202,499	4,758,949
Saint John	23,960,866	30,111,583	20,623,024	10,526,581
Total-Maritime Provinces	85,577,591	105,549,274	73,762,823	31,352,502
<u>Quebec -</u>				
Montreal.....	907,510,519	997,564,328	736,691,678	520,300,012
Quebec	83,664,086	123,744,516	75,604,436	22,898,308
Sherbrooke	10,395,622	10,649,160	8,920,588	4,219,320
Total - Quebec	1,001,570,227	1,131,958,004	821,216,702	547,417,640
<u>Ontario -</u>				
Brantford	17,110,159	19,952,583	12,721,422	4,624,387
Chatham.....	8,614,279	11,331,276	9,258,509	2,880,497
Fort William.....	8,478,305	11,667,662	8,003,181	4,351,944
Hamilton.....	110,342,208	118,528,521	81,987,237	32,137,717
Kingston.....	10,236,793	12,557,755	7,831,954	3,067,669
Kitchener.....	21,733,033	32,863,199	17,047,346	5,864,744
London.....	44,066,372	52,031,121	37,876,426	12,233,327
Ottawa	500,560,052	593,104,476	242,091,324	320,803,933
Peterborough	11,486,319	9,469,323	8,923,816	3,412,717
St. Catharines	19,287,130	20,922,093	-	5,681,821
Sarnia.....	10,732,611	9,832,421	6,787,044	1,944,657
Sudbury.....	8,308,387	8,781,676	6,590,722	4,681,568
Toronto	1,052,796,125	1,167,083,281	891,451,798	645,726,340
Windsor	71,064,834	86,045,781	59,287,991	16,356,426
Total - Ontario	1,894,816,607	2,154,171,168	1,389,858,770	1,063,767,747
<u>Prairie Provinces -</u>				
Brandon	4,840,549	5,244,494	3,632,635	1,842,045
Calgary.....	74,837,663	86,844,882	71,959,844	29,697,768
Edmonton	59,958,311	60,199,152	48,498,979	26,464,463
Lethbridge.....	7,006,264	5,730,469	5,348,396	2,991,486
Medicine Hat.....	3,537,964	3,588,153	3,159,831	1,414,926
Moose Jaw.....	8,944,650	8,515,678	9,900,347	2,754,900
Prince Albert.....	3,852,640	4,767,690	3,230,255	1,996,313
Regina	36,839,135	41,371,365	54,785,085	16,850,140
Saskatoon	13,366,683	13,856,449	12,148,220	6,840,658
Winnipeg	323,890,872	299,338,007	303,232,430	209,690,943
Total-Prairie Provinces..	537,074,731	529,456,339	515,896,022	300,543,642
<u>British Columbia -</u>				
New Westminster.....	10,922,441	11,297,599	8,632,770	3,672,230
Vancouver.....	172,358,382	211,239,915	143,118,872	93,046,271
Victoria	30,898,998	33,157,730	31,679,501	8,007,907
Total-British Columbia...	214,179,821	255,695,244	183,431,143	104,726,408
GRAND TOTAL FOR CANADA...	3,733,218,977	4,176,830,029	2,984,165,460	2,047,807,939

Table 2. DEBITS CHARGED TO CURRENT ACCOUNTS AND SAVINGS ACCOUNTS AT THE
CLEARING HOUSE CENTRES OF CANADA, APRIL, 1942 AND MARCH, 1942.

Province and Clearing House Centres	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	April, 1942	March, 1942	April, 1942	March, 1942
	\$	\$	\$	\$
<u>Maritime Provinces -</u>				
Halifax	45,788,429	58,123,476	1,760,452	2,524,666
Moncton	13,561,551	13,939,452	506,293	850,097
Saint John	22,754,724	28,122,518	1,206,142	1,989,065
Total-Maritime Provinces	82,104,704	100,185,446	3,472,887	5,363,828
<u>Quebec -</u>				
Montreal	861,282,586	938,935,398	46,227,933	58,628,930
Quebec	76,165,229	111,347,359	7,498,857	12,397,157
Sherbrooke	9,522,055	9,804,302	873,567	844,858
Total - Quebec	946,969,870	1,060,087,059	54,600,357	71,870,945
<u>Ontario -</u>				
Brantford	16,124,010	18,646,762	986,149	1,305,881
Chatham.....	7,821,338	10,169,067	792,941	1,162,209
Fort William	7,922,994	10,832,094	555,311	835,568
Hamilton	102,802,464	108,474,012	7,539,744	10,054,509
Kingston	9,173,903	10,834,564	1,062,890	1,723,191
Kitchener	20,872,829	30,893,319	860,204	1,969,880
London	41,365,016	48,365,385	2,701,356	3,665,736
Ottawa.....	494,011,635	582,831,735	6,548,417	10,272,741
Peterborough	10,373,747	8,226,670	1,112,572	1,242,653
St. Catharines.....	17,566,830	19,112,296	1,720,300	1,809,797
Sarnia.....	9,794,131	3,982,974	938,480	849,447
Sudbury	7,481,213	7,632,719	827,174	1,148,957
Toronto	1,006,945,865	1,093,702,829	45,850,260	73,380,452
Windsor.....	67,820,427	82,114,639	3,244,407	3,931,142
Total - Ontario	1,820,076,402	2,040,819,005	74,740,205	113,352,163
<u>Prairie Provinces -</u>				
Brandon	4,497,186	4,697,002	343,363	547,492
Calgary.....	71,764,690	83,039,750	3,072,973	3,805,132
Edmonton	57,132,325	57,444,061	2,825,986	2,755,091
Lethbridge	6,741,656	5,341,032	264,608	389,437
Medicine Hat	3,317,572	3,148,557	220,392	439,596
Moose Jaw	8,529,713	7,882,897	414,937	632,781
Prince Albert	3,661,850	4,445,217	190,790	322,473
Regina	35,515,535	39,353,292	1,323,600	2,018,073
Saskatoon	12,583,186	12,676,639	783,497	1,179,810
Winnipeg.....	317,547,466	287,962,539	6,343,406	11,375,468
Total -Prairie Provinces	521,291,179	505,990,986	15,783,552	23,465,353
<u>British Columbia -</u>				
New Westminster.....	9,972,217	10,100,085	950,224	1,197,514
Vancouver	160,978,910	194,062,826	11,379,472	17,177,089
Victoria	27,889,491	28,195,083	3,009,507	4,962,647
Total-British Columbia..	198,840,618	232,357,994	15,339,203	23,337,250
GRAND TOTAL FOR CANADA	3,569,282,773	3,939,440,490	163,936,204	237,339,539

Table 3.

BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE
CENTRES OF CANADA DURING THE FIRST FOUR MONTHS OF 1942 COMPARED
WITH THE SAME PERIOD OF 1941.

Province and Clearing House Centres	First Four Months of 1942	First Four Months of 1941	Increase (+) Decrease (-)	Percentage of 1942 to 1941
	\$	\$	\$	P.C.
<u>Maritime Provinces -</u>				
Halifax	189,928,149	155,007,251	+ 34,920,898	122.5
Moncton	58,621,016	43,914,361	+ 14,706,655	133.5
Saint John	97,423,622	79,107,913	+ 18,315,709	123.2
Total-Maritime Provinces	345,972,787	278,029,525	+ 67,943,262	124.4
<u>Quebec -</u>				
Montreal.....	3,492,809,538	2,776,061,078	+716,748,460	125.8
Quebec.....	366,199,464	314,679,200	+ 51,520,264	116.4
Sherbrooke	40,107,699	32,331,166	+ 7,776,533	124.1
Total - Quebec	3,899,120,701	3,123,071,444	+776,049,257	124.8
<u>Ontario -</u>				
Brantford.....	65,508,986	46,787,059	+ 18,721,927	140.0
Chatham.....	40,075,107	34,074,343	+ 6,000,764	117.6
Fort William	38,200,259	28,589,627	+ 9,610,632	133.6
Hamilton	425,461,296	318,982,440	+ 106,478,856	133.4
Kingston	42,107,145	28,481,104	+ 13,626,041	147.8
Kitchener	91,401,502	61,852,076	+ 29,549,426	147.8
London	174,274,329	143,847,996	+ 30,426,333	121.2
Ottawa	1,769,903,770	962,341,029	+ 807,562,741	183.9
Peterborough	44,254,041	31,669,343	+ 12,624,698	139.9
St. Catharines	74,904,056	-	+ 74,904,056	-
Sarnia	38,862,356	27,151,089	+ 11,711,267	143.1
Sudbury	33,816,167	27,458,628	+ 6,357,539	123.2
Toronto.....	3,779,136,607	3,492,857,606	+ 286,279,001	108.2
Windsor	292,766,446	224,193,761	+ 68,572,685	130.6
Total - Ontario	6,910,712,067	5,428,286,101	+1,482,425,966	127.3
<u>Prairie Provinces -</u>				
Brandon	19,423,992	13,193,897	+ 6,230,095	147.2
Calgary.....	313,419,549	265,592,926	+ 47,826,623	118.0
Edmonton	226,906,450	188,815,631	+ 38,090,819	120.2
Lethbridge	24,138,090	18,498,952	+ 5,639,138	130.5
Medicine Hat	13,472,282	11,252,035	+ 2,220,253	119.7
Moose Jaw	33,787,504	31,131,667	+ 2,655,837	108.5
Prince Albert	16,805,214	12,473,418	+ 4,331,796	134.7
Regina	158,978,852	161,868,874	- 2,890,022	98.2
Saskatoon	52,395,506	43,724,436	+ 8,671,070	119.8
Winnipeg	1,142,382,983	1,017,668,924	+ 124,714,059	112.3
Total-Prairie Provinces.	2,001,710,428	1,764,220,760	+ 237,489,668	113.5
<u>British Columbia -</u>				
New Westminster.....	41,900,161	32,076,075	+ 9,824,086	130.6
Vancouver	706,416,732	556,959,671	+ 149,457,061	126.8
Victoria	127,868,556	120,954,346	+ 6,914,210	105.7
Total -British Columbia.	876,185,449	709,990,092	+ 166,195,357	123.4
GRAND TOTAL FOR CANADA	14,033,701,432	11,303,597,922	+2,730,103,510	124.2

Table 4. SIX ECONOMIC FACTORS WITH SEASONAL ADJUSTMENT WHERE NECESSARY

	Bank Debits	Physical Volume of Business	Common Stocks	Employment in Manufac- turing (1st of following month)	Wholesale Prices
		1935-1939=100			1926=100
<u>1941</u>					
April	114.8	130.7	65.8	161.1	86.6
May	110.2	134.2	63.9	164.7	88.5
June	143.8	137.1	64.0	169.0	90.0
July	116.4	138.0	67.5	172.9	91.1
August	123.1	141.5	67.8	176.4	91.8
September	126.3	148.9	71.0	179.1	93.2
October	120.8	139.1	69.1	185.9	93.8
November	113.2	132.0	68.8	190.7	94.0
December	124.9	141.3	67.2	200.2	93.6
<u>1942</u>					
January	122.8	140.6	66.8	199.0	94.3
February	118.5	134.3	64.7	199.9	94.6
March	165.2	136.2	62.3	-	95.1
April	143.6	-	-	-	-

Table 5. CIRCULATING MEDIA IN DOLLARS

	Bank of Canada Notes	Circula- tion of Bank Notes	Total Notes in Hands of Public	Subsidiary Coin in Hands of Public	Circulating Media in Hands of Public (m)
	(1)	(2)	(3)	(4)	(5) (3 / 4)
<u>1941</u>					
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	44,373,750	428,592,833
July	393,396,609	84,144,726	391,966,782	44,871,250	436,838,032
August	404,673,632	82,835,134	393,207,827	45,368,750	438,576,577
September	422,230,154	83,773,658	422,014,387	45,866,250	467,880,637
October	435,288,499	82,024,348	419,999,648	46,363,750	466,363,398
November	448,865,693	82,243,767	442,449,376	46,861,250	489,310,626
December	474,098,830	79,200,600	462,137,735	47,358,750	509,496,485
<u>1942</u>					
January	495,956,232	73,204,656	450,168,690	47,856,250	498,024,940
February	479,052,047	73,612,300	462,508,080	48,353,750	510,861,830
March	493,222,024	74,213,654	482,454,936	48,851,250	531,306,186
April	508,932,902	73,633,907	480,877,819	49,348,750	530,226,569

Table 6. BANK DEPOSITS AND BANK DEBITS AND RATIO OF DEBITS TO DEPOSITS, APRIL, 1941 to APRIL, 1942.

	Notice	Demand	Dominion Govern- ment	Provin- cial Go- vernment	Sum of Deposits M	Bank De- bits to Deposits P.C.
	Last Day of Preceding Month - Millions of Dollars :					
<u>1941</u>						
April	1,702.7	1,050.5	154.6	64.4	2,972.2	100.4
May	1,707.6	1,128.0	141.7	86.4	3,063.7	106.6
June	1,695.2	1,105.2	152.7	92.0	3,045.1	139.3
July	1,446.9	984.3	560.9	62.6	3,074.7	105.4
August	1,488.7	1,009.2	502.5	57.3	3,067.7	102.7
September	1,522.2	1,026.0	424.2	59.0	3,031.4	108.9
October	1,555.2	1,110.3	316.5	54.9	3,036.9	119.4
November	1,591.7	1,135.5	220.3	64.5	3,012.0	113.8
December	1,639.2	1,180.2	160.9	60.8	3,041.1	121.2
<u>1942</u>						
January	1,669.0	1,268.5	114.2	52.8	3,104.5	104.1
February	1,720.4	1,217.1	99.9	58.9	3,096.4	93.4
March	1,664.3	1,270.7	187.3	58.6	3,181.0	131.3
April	1,549.6	1,143.9	555.9	55.4	3,304.9	113.0

Table 7. BANK DEBITS AND VELOCITY OF DEPOSITS (THOUSAND DOLLARS)

	Bank Debits in 33 Centres	Bank Debits Adding 12½ p.c. ($M_1 V_1$)	Velocity of Bank Depo- sits. V_1	Bank Debits less 5 lar- ger centres
<u>1941</u>				
April.....	2,984,165	3,357,186	1.13	667,579
May	3,265,872	3,674,106	1.20	743,884
June	4,240,630	4,770,709	1.57	921,540
July	3,241,707	3,646,920	1.19	714,545
August	3,149,791	3,543,515	1.16	739,523
September	3,300,731	3,713,322	1.22	707,311
October	3,627,177	4,080,574	1.34	816,416
November.....	3,426,906	3,855,269	1.28	896,365
December	3,686,546	4,147,364	1.36	826,972
<u>1942</u>				
January	3,230,789	3,634,638	1.17	763,974
February.....	2,892,864	3,254,472	1.05	694,474
March	4,176,830	4,698,934	1.48	1,086,582
April	3,733,219	4,199,871	1.27	776,103

Table-PAYMENTS BY CASH AND CHEQUE AND MONEY SUPPLY, THOUSANDS OF DOLLARS AND INDEXES, 3. 1935-39=100

	Cash Payments ($M V$)	Cash & Cheque Payments. $M_1 V_1 / M V$	Index of cash and cheque payments	Money Supply M_1 / M	Cost of Living
<u>1941</u>					
April.....	537,474	3,894,660	113.1	3,380,532	108.6
May	534,082	4,208,188	122.2	3,469,335	109.4
June	564,221	5,334,930	155.0	3,473,637	110.5
July	569,973	4,216,893	122.5	3,511,639	111.9
August	592,692	4,136,207	120.1	3,506,243	113.7
September	633,645	4,346,967	126.3	3,504,769	114.7
October	630,243	4,710,817	136.8	3,497,713	115.5
November	661,254	4,516,523	131.2	3,501,285	116.3
December	807,246	4,954,610	143.9	3,550,607	115.8
<u>1942</u>					
January.....	678,832	4,313,470	125.3	3,602,536	115.4
February	624,912	3,879,384	112.7	3,607,262	115.7
March	916,078	5,615,012	163.1	3,712,306	115.9
April	784,497	4,984,368	144.8	3,835,127	115.9

Table 9.

TOTAL PAYMENTS BY CHEQUE AND CASH, MONEY SUPPLY AND NATIONAL INCOME
- Millions of Dollars and Indexes, 1935-39=100 -

Year	Cash & Cheque Payments $M_1 V_1 / M V$	Cash & Cheque Payments Index	Money Supply M_1 / M	National Income	Cost of Living	Real Income	Index of National Income P T
1920.....	42,306.6	110.3	2,342	4,614	150.5	3,066	111.7
1921.....	35,788.6	93.3	2,175	3,735	132.5	2,819	90.4
1922.....	33,281.2	96.8	1,983	3,762	121.3	3,101	91.0
1923.....	35,718.4	93.2	1,990	3,945	121.7	3,242	95.5
1924.....	34,580.3	90.2	2,001	3,854	119.5	3,225	93.3
1925.....	35,610.4	92.9	2,059	4,161	120.6	3,450	100.7
1926.....	38,343.8	100.0	2,151	4,494	121.8	3,690	108.8
1927.....	45,375.3	118.3	2,274	4,632	119.9	3,905	113.3
1928.....	54,366.4	141.8	2,452	5,138	120.5	4,264	124.3
1929.....	58,356.5	152.2	2,497	5,149	121.7	4,231	124.6
1930.....	46,791.3	122.0	2,326	4,326	120.8	3,581	104.7
1931.....	39,174.5	102.2	2,274	3,498	109.1	3,206	84.7
1932.....	32,152.0	83.9	2,121	2,893	99.0	2,922	70.0
1933.....	37,341.9	97.4	2,106	2,795	94.4	2,961	67.6
1934.....	41,027.1	107.0	2,136	3,171	95.7	3,313	76.7
1935.....	39,343.3	102.6	2,272	3,381	96.2	3,515	81.8
1936.....	44,846.0	117.0	2,422	3,829	98.1	3,903	92.7
1937.....	44,039.7	114.9	2,583	4,342	101.2	4,291	105.1
1938.....	38,728.8	101.0	2,650	4,246	102.2	4,155	102.8
1939.....	39,595.1	103.3	2,838	4,862	101.5	4,790	117.7
1940.....	44,210.8	115.3	3,082	5,400	105.6	5,114	130.7



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