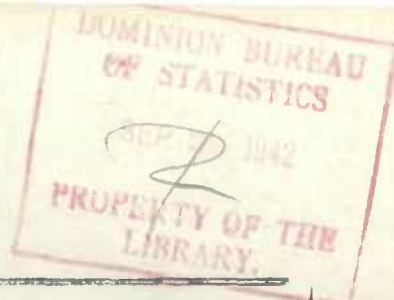


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CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

BUSINESS STATISTICS BRANCH

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BANK DEBITS TO INDIVIDUAL ACCOUNTS

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Equation of Exchange

AUGUST 1942

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REPORT OF THE

AUGUST 1943

DOMINION BUREAU OF STATISTICS - OTTAWA
BUSINESS STATISTICS BRANCH

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Chief, Business Statistics Branch: Sydney B. Smith, M.A.

BANK DEBITS TO INDIVIDUAL ACCOUNTS, AUGUST, 1942.

The amount of cheques cashed was \$3,480 million in August compared with \$3,150 million in the same month last year. Consequently the increase was about \$330 million or 10.5 p.c. Gains were recorded in each of the five economic areas, except the Prairie Provinces. The greatest gain was shown in Ontario. Twelve of the fourteen centres showed greater bank debits in August than in the same month last year, the exceptions being Toronto and Chatham.

The increase in the Maritime Province was 4.2 p.c., the total rising from \$78 million to \$81 million. Gains were shown in Moncton and Saint John, while the total for Halifax showed minor recession. General increases were shown in the three clearing centres of Quebec, the total having been \$1,015 million against \$928 million one year ago. The greater part of the increase was shown in Montreal where the total rose from \$815 million to \$888 million. A marked gain was recorded in the bank debits of Ottawa, the total having been \$524 million against \$283 million. A relatively minor recession was shown in Toronto, where the total was down about \$4 million to \$804.5 million. Bank debits in the Prairie Provinces receded from \$547 million to \$489 million, a decline of 10.6 p.c. Seven of the ten centres showed gains counterbalanced by declines in Calgary, Medicine Hat and Winnipeg. The aggregate gain in British Columbia was 5.7 p.c., increases having been shown in Vancouver and New Westminster.

Comparison with the First Eight Months of 1941.

Bank debits in the first eight months of the current year were \$28,776 million compared with \$25,202 million in the same period of last year. Consequent gain was \$3.6 billion or 14.2 p.c. Advances were general in four of the five economic areas, the exception being the Prairie Provinces. The gain in the Maritime Provinces was 14.8 p.c., the total rising from \$603 million to \$692 million. Gains of 13.9 p.c. and 20.1 p.c. were shown in Quebec and Ontario respectively. The recession in the Prairie Provinces was 2 p.c., the total in the elapsed portion of the present year having been \$4,132 million. The advance in British Columbia was 14.8 p.c. or \$235 million, the standing in the last eight months having been \$1,828 million.

Comparison with July After Seasonal Adjustment.

Bank debits in July were \$3,704 million, an increase of 2.2 p.c. having been indicated in the month under review after seasonal adjustment. The Maritime Provinces, Quebec and Ontario recorded increases in this comparison. The standing of the Prairie Provinces was practically maintained, while British Columbia showed a decline of 18.2 p.c. The increases in eastern Canada were of a minor character, the Maritime Provinces showing a gain of 4 p.c. The advances in Quebec and Ontario were 1.2 p.c. and 5.1 p.c., respectively.

Comparison with Economic Factors.

The index of bank debits on the base of 1935-39 rose from 123.1 in August last year to 136 in the month under review. Employment in manufacturing plants, wholesale prices and the cost of living recorded advances over the same period of last year, while recession was shown in the index of the physical volume of business and in common stock prices.

The circulating media in the hands of the public, including bank notes and subsidiary coin was \$597.6 million in August against \$438.6 million one year ago, an increase of \$159 million or about 36 p.c. During the same period the deposit liabilities of the banks rose from \$3,067 million to \$3,174.2 million, a gain of \$106.5 million. It was estimated that the cash and cheque payments were \$4,771 million in August against \$4,136 million one year ago. The money supply consisting of bank deposits and circulating media in the hands of the public amounted to \$3,772 million compared with \$3,506 million.

THE UNIVERSITY OF CHICAGO

IN THE DEPARTMENT OF THE HISTORY OF THE UNITED STATES

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

Province and Clearing House Centres	DEBITS TO INDIVIDUAL ACCOUNTS			Bank Clearings
	August, 1942	July, 1942	August, 1941	
	\$	\$	\$	\$
Maritime Provinces -				
Halifax	44,216,215	48,032,363	45,460,407	17,120,189
Moncton	15,061,615	14,888,675	12,729,551	4,753,812
Saint John	22,025,859	22,503,708	19,848,485	10,001,297
Total-Maritime Provinces	81,303,689	85,424,746	78,038,443	31,875,298
Quebec -				
Montreal	888,390,233	944,950,863	814,703,823	533,576,377
Quebec	117,182,899	136,119,532	103,955,407	24,676,903
Sherbrooke	9,557,781	10,132,853	9,503,248	4,033,169
Total - Quebec	1,015,130,913	1,091,203,248	928,162,478	562,236,449
Ontario -				
Brantford	15,763,355	16,828,621	12,830,215	4,463,739
Chatham	8,221,859	9,121,379	9,459,073	2,635,070
Fort William	9,780,597	10,129,920	8,648,548	4,798,123
Hamilton	106,754,339	111,404,960	92,203,162	30,619,876
Kingston	9,933,096	11,103,824	9,232,405	3,290,374
Kitchener	17,139,607	19,203,656	16,322,212	5,067,692
London	40,441,382	43,490,342	40,329,294	13,374,199
Ottawa	524,126,560	513,828,183	282,884,803	257,983,466
Peterborough	11,264,811	11,617,881	9,924,323	3,517,849
St. Catharines	19,474,489	20,013,932	16,738,163	5,933,277
Sarnia	11,629,789	10,756,128	8,881,584	2,173,383
Sudbury	8,620,182	8,807,475	8,419,663	4,816,985
Toronto	804,544,154	867,211,718	808,881,874	585,170,025
Windsor	81,040,090	78,056,018	58,331,808	70,343,592
Total - Ontario	1,668,734,310	1,731,574,037	1,383,087,127	944,187,650
Prairie Provinces -				
Brandon	5,832,628	5,699,060	4,990,762	2,135,336
Calgary	71,397,334	70,253,270	74,795,518	29,081,660
Edmonton	55,887,064	57,440,971	50,227,717	25,341,796
Lethbridge	5,948,129	6,227,616	5,782,703	2,857,680
Medicine Hat	3,454,291	3,481,756	4,006,314	1,415,043
Moose Jaw	8,821,787	9,571,751	7,076,081	3,150,337
Prince Albert	4,257,446	4,420,971	3,638,382	2,223,121
Regina	45,958,029	64,219,498	43,583,345	20,214,254
Saskatoon	15,823,081	16,608,241	13,474,216	7,699,931
Winnipeg	271,569,738	281,634,858	339,532,698	180,048,421
Total-Prairie Provinces.	488,949,527	519,557,992	547,107,736	274,167,579
British Columbia -				
New Westminster	10,803,614	11,381,750	9,580,973	4,094,207
Vancouver	176,995,101	186,286,651	164,264,039	107,751,194
Victoria	37,827,732	78,704,267	39,549,810	8,683,011
Total-British Columbia .	225,626,447	276,372,668	213,394,822	120,528,412
GRAND TOTAL FOR CANADA	3,479,744,886	3,704,132,691	3,149,790,606	1,932,995,388

Table 2. RELATION OF BANK DEBITS TO OTHER FACTORS

ECONOMIC AREAS	CURRENT ACCOUNTS		SAVING ACCOUNTS	
	August, 1942	July, 1942	August, 1942	July, 1942
	\$	\$	\$	\$
Maritime Provinces	77,305,122	82,400,473	3,998,567	3,024,273
Quebec	974,413,503	1,048,719,104	40,717,410	42,484,144
Ontario	1,616,958,837	1,674,243,022	51,775,473	57,331,015
Prairie Provinces	475,853,519	506,398,233	13,096,008	13,159,759
British Columbia	213,270,982	261,301,406	12,355,465	15,071,262
Grand Total for Canada	3,357,801,963	3,573,062,238	121,942,923	131,070,453

BANK DEBITS	First Eight Months of 1942	First Eight Months of 1941	Increase(+) Decrease(-)	Percentage of 1942 to 1941
Maritime Provinces	692,056,916	602,935,599	+ 89,121,317	114.8
Quebec	8,036,876,986	7,055,974,342	+ 980,902,644	113.9
Ontario	14,086,477,921	11,733,034,051	+2,353,443,870	120.1
Prairie Provinces	4,132,319,518	4,217,142,446	- 84,822,928	98.0
British Columbia	1,827,853,554	1,592,510,442	+ 235,343,112	114.8
Grand Total for Canada	28,775,584,895	25,201,596,880	+3,573,988,015	114.2

SEASONALLY ADJUSTED ECONOMIC INDEXES		1941		1942				
		August	March	April	May	June	July	August
Bank Debits	1935-39=100	123.1	165.2	143.6	127.9	127.7	133.0	136.0
Physical Volume of Business "		141.5	136.2	140.4	131.8	133.7	135.0	
Common Stocks	1935-39=100	67.8	62.3	61.1	62.0	62.8	62.4	61.6
Cost of Living	"	113.7	115.9	115.9	116.1	116.7	117.9	117.7
Employment in								
Manufacturing	1926=100	172.9	199.9	200.8	200.5	201.9	205.2	
Wholesale Prices	"	91.8	95.1	95.0	95.2	95.8	96.1	95.6

CIRCULATING MEDIA	Millions of Dollars						
Bank of Canada Notes	404.7	493.2	508.9	516.7	528.6	541.2	563.8
Circulation of Bank Notes	82.8	74.2	73.6	73.8	74.1	74.5	75.0
Total Notes in Hands of Public	393.2	482.5	480.9	488.5	507.1	514.2	546.3
Subsidiary Coin in Hands of Public	45.4	48.9	49.3	49.8	50.8	50.8	51.3
Circulating Media in Hands of Public (m)	438.6	531.3	530.2	538.3	557.4	565.0	597.6

EQUATION OF EXCHANGE

Notice	1,488.7	1,664.3	1,549.6	1,537.1	1,555.7	1,598.1	1,653.6
Demand	1,009.2	1,270.7	1,143.9	1,232.2	1,132.7	1,289.2	1,351.6
Dominion Government	502.5	187.3	555.9	429.9	371.1	129.1	70.1
Provincial Government	57.3	58.6	55.4	62.9	58.2	104.5	98.9
Total Deposits (M1)	3,067.7	3,181.0	3,304.9	3,262.2	3,117.6	3,120.9	3,174.2
Ratio of Bank Debits to Deposits P.C.	102.7	131.3	113.0	116.2	120.8	118.7	109.6
Bank Debits + 12½ p.c. (M1V1)	3,544	4,699	4,200	4,265	4,238	4,167	3,915
Velocity of Bank Deposits (V1)	1.16	1.48	1.27	1.31	1.36	1.34	1.23
Bank Debits less 5 large centres	740	1,087	776	818	827	910	814
Cash Payments (MV)	593	916	784	822	883	882	856
Cash & Cheque Payments (M1V1 + MV)	4,136	5,615	4,984	5,086	5,121	5,049	4,771
Index of Cash and cheque payments	120.1	163.1	144.8	147.8	148.8	146.7	138.6
Money Supply (M1 + M)	3,506	3,712	3,835	3,801	3,675	3,686	3,772



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