

BANK DEBITS TO INDIVIDUAL ACCOUNTS, JANUARY, 1943.

The amount of cheques cashed in the thirty-three clearing centres was nearly \$3,900 million in January against \$3,231 million in the same month last year. The increase of 20.7 p.c. represented the marked advance in economic operations during the last twelve months. Gains were shown in each of the five economic areas, the greatest advance having been recorded in Ontario and Quebec. The gain in British Columbia was also of marked proportions.

Bank debits in the Maritime Provinces were \$83.8 million in January compared with \$77.2 million in the same month last year. Increases were shown in Halifax and Saint John, the gain in the area having been 8.7 p.c. Pronounced increases in Montreal and Quebec were reflected in the provincial total which rose from \$939.8 million to \$1,157 million. The increase in the province of Quebec was more than 23 p.c. The total for Montreal moved up from \$841 to \$1,025 million. Nine of the thirteen centres in Ontario recorded increases in January over the same month of last year. The net result was a gain from \$1,517 million to \$1,875 million amounting to 23.6 p.c. Debits in Toronto were \$1,069 million against \$844 million in the same month last year.

Eight of the ten centres in the Prairie Provinces showed advances. The total for the area was \$545.7 million against \$499.9 million in January 1942. The increase was 9.2 p.c., the total for Winnipeg having moved up from \$285 million to \$316 million. Marked gains were shown in Vancouver and Victoria in January, the total for the province having been \$237.9 against \$196.5 million twelve months before. The gain was 21 p.c., the total for Vancouver having been \$192.6 million against \$154.5 million.

Comparison with December after Seasonal Adjustment.

Bank debits are normally at a lower position in January than in December. After making allowances for the seasonal variation, a gain of 4.3 p.c. was shown in the Dominion total. The aggregate for the Maritime Provinces showed a decline of 1.6 p.c. from the preceding month. Gains of 8.2 p.c. and 11.1 p.c. were shown in Montreal and the province of Quebec, respectively. A minor recession was recorded in Ontario even after seasonal adjustment, the Toronto total having declined 2.1 p.c. The Winnipeg debits dropped 8.8 p.c., after seasonal adjustment and the total for the Prairie Provinces was down 7.9 p.c. Declines of 7.2 p.c. and 4.5 p.c. were shown in Vancouver and the province of British Columbia, respectively.

The Relation of Bank Debits to Other Factors.

Cheques cashed against current accounts including Dominion and Provincial balances amounted to \$3,758 million in January against \$4,040 million in the preceding month. Cheques cashed against notice accounts receded from \$154.6 million in December to \$141.6 million in January. Notice deposits at the beginning of the month were \$1.673 million against nearly \$1,630 million at the beginning of the preceding month.

The index of bank debits on the base of 1935-39 was 148.3 in January against 122.8 in the same month last year. The gain over December, after seasonal adjustment, was about 6 points, the standing in that month having been 142.1. During the last twelve months marked expansion has been shown in the physical volume of business and in employment. The index of the physical volume of business was 221.2 in December as against 192.3 in the first month of last year. Employment in manufacturing advanced from 200.2 to 224.4 during the same interval. An index of common stock prices was 76.3 in January against 66.8 twelve months before and the index of the cost of living advanced from 115.4 to 117.1. The increase in wholesale prices was from 94.3 to 96.9.

The circulating media in the hands of the public showed marked expansion in the last twelve months. The total for January was \$686.6 million against \$498 million in January of 1942. A marked increase was shown in the circulation of Bank of Canada notes. It is estimated that the subsidiary coin in the hands of the public rose from \$47.9 million to \$53.3 million. The money supply consisting of the deposit liabilities of the banks and the circulating media in the hands of the public rose from \$3,603 million in January, 1942, to \$4,344 million. The cash and cheque payments were estimated at \$5,347 million in January against \$4,313 million in the same month last year.

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Table 1. - BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES OF

CANADA, JANUARY, 1943, WITH COMPARATIVE FIGURES FOR DECEMBER, 1942

AND JANUARY, 1942, AND BANK CLEARINGS, JANUARY 1943.

Province and Clearing House Centres	DEBITS TO INDIVIDUAL ACCOUNTS			Bank Clearings
	January, 1943	December, 1942	January, 1942	
	\$	\$	\$	\$
<u>Maritime Provinces -</u>				
Halifax	45,087,371	49,073,163	40,592,579	17,103,064
Moncton	14,622,199	17,741,445	14,944,241	5,019,487
Saint John	24,132,864	23,980,205	21,618,272	10,890,303
Total - Maritime Provinces ..	83,842,334	90,794,813	77,155,092	33,012,854
<u>Quebec -</u>				
Montreal	1,025,345,069	1,043,140,130	841,369,251	603,495,634
Quebec	122,182,961	99,515,587	88,707,427	23,082,292
Sherbrooke	9,591,914	10,244,784	9,705,161	4,257,082
Total - Quebec	1,157,119,944	1,152,900,501	939,781,839	630,835,008
<u>Ontario -</u>				
Brantford	17,237,114	20,993,216	14,772,299	4,687,754
Chatham	11,014,966	11,869,138	11,235,298	2,656,806
Fort William	8,205,611	10,539,094	9,610,032	4,464,470
Hamilton	110,927,528	109,135,950	103,575,270	30,322,878
Kingston	12,745,014	13,157,165	10,275,208	3,443,648
Kitchener	20,640,197	21,907,360	18,515,330	5,487,275
London	47,794,236	48,483,645	44,443,624	13,842,673
Ottawa	436,998,472	556,252,461	341,651,787	364,734,213
Peterborough	11,362,633	13,065,125	11,725,660	3,398,058
St. Catharines	19,197,079	21,488,337	17,535,124	5,824,808
Sarnia	10,617,711	12,897,802	9,925,690	2,914,008
Sudbury	8,035,726	8,879,153	8,624,227	4,600,204
Toronto	1,069,218,113	1,115,941,493	844,051,677	710,114,587
Windsor	91,072,758	77,560,800	71,518,907	18,636,393
Total - Ontario	1,875,067,158	2,042,170,739	1,517,460,133	1,175,127,775
<u>Prairie Provinces -</u>				
Brandon	5,232,814	6,432,829	4,599,497	1,970,595
Calgary	75,855,790	80,628,890	78,272,465	29,127,249
Edmonton	62,723,346	72,404,688	54,428,851	27,895,940
Lethbridge	6,497,542	7,871,010	5,956,641	2,931,733
Medicine Hat	4,258,883	4,681,139	3,056,058	1,829,449
Moose Jaw	11,910,859	10,064,684	8,688,494	3,376,380
Prince Albert	3,944,129	5,272,740	4,191,426	2,306,829
Regina	45,105,826	55,480,963	42,309,881	21,069,537
Saskatoon	14,507,825	16,986,396	13,113,598	7,644,517
Winnipeg	315,671,259	394,563,796	285,236,363	210,772,222
Total - Prairie Pro- vinces ..	545,708,273	654,387,135	499,853,274	308,924,411
<u>British Columbia -</u>				
New Westminster ...	9,647,273	13,191,767	9,670,117	3,677,770
Vancouver	192,555,724	204,040,551	154,505,400	112,626,858
Victoria	35,687,652	37,127,969	32,362,989	8,215,621
Total - British Columbia ...	237,890,649	254,360,287	196,538,506	124,520,249
GRAND TOTAL FOR CANADA	3,899,628,358	4,194,613,475	3,230,788,844	2,272,420,297

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Table 2. RELATION OF BANK DEBITS TO OTHER FACTORS

ECONOMIC AREAS	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	January, 1943	December, 1942	January, 1943	December, 1942
	\$	\$	\$	\$
Maritime Provinces	80,530,050	87,690,579	3,312,284	3,104,234
Quebec	1,106,069,278	1,098,334,834	51,050,666	54,565,667
Ontario	1,814,071,196	1,973,650,201	60,995,962	68,520,538
Prairie Provinces	532,221,404	639,940,919	13,486,869	14,446,216
British Columbia	225,138,731	240,396,674	12,751,918	13,963,613
GRAND TOTAL FOR CANADA ...	3,758,030,659	4,040,013,207	141,597,699	154,600,268

BANK DEBITS	January, 1943	January, 1942	Increase (+) Decrease (-)	Percentage of 1943 to 1942
	\$	\$	\$	
Maritime Provinces	83,842,334	77,155,092	+ 6,687,242	108.7
Quebec	1,157,119,944	939,781,839	+217,338,105	123.1
Ontario	1,875,067,158	1,517,460,133	+357,607,025	123.6
Prairie Provinces	545,708,273	499,853,274	+ 45,854,999	109.2
British Columbia	237,890,649	196,538,506	+ 41,352,143	121.0
GRAND TOTAL FOR CANADA ...	3,899,628,358	3,230,788,844	+668,839,514	120.7

SEASONALLY ADJUSTED ECONOMIC INDEX		1942						1943
		January	August	September	October	November	December	January
Bank Debits	1935-39=100	122.8	136.0	134.5	135.7	164.0	142.1	148.3
Physical Volume of Business		192.3	205.7	206.1	207.2	207.8	221.2	
Common Stocks	1935-39=100	66.8	61.6	62.6	65.0	67.6	71.3	76.3
Cost of Living	"	115.4	117.7	117.4	117.8	118.6	118.8	117.1
Employment in Manufacturing	1926=100	200.2	200.6	209.5	211.3	216.4	224.4	-
Wholesale Prices	"	94.3	95.5	96.0	96.8	96.9	97.0	96.9

CIRCULATING MEDIA	Millions of Dollars							
Bank of Canada Notes	496.0	563.8	592.6	625.4	657.6	666.3	693.6	
Circulation of Bank Notes	73.2	75.0	73.4	71.3	70.1	65.5	61.9	
Total Notes in Hands of Public	450.2	546.3	563.7	581.8	623.5	614.4	632.8	
Subsidiary Coin in Hands of Public	47.9	51.3	51.8	52.3	52.8	53.3	53.8	
Circulating Media in Hands of Public (M)	498.1	597.6	615.5	634.1	676.3	667.7	686.6	

EQUATION OF EXCHANGE								
Notice Deposits	1,669.0	1,653.6	1,700.0	1,748.2	1,708.7	1,629.5	1,673.2	
Demand Deposits	1,268.5	1,351.6	1,422.9	1,526.8	1,609.1	1,402.4	1,499.3	
Dominion Government Deposits	114.2	70.1	89.7	94.9	185.0	576.6	416.5	
Provincial Government "	52.8	98.9	98.9	116.2	101.1	71.4	68.2	
Total Deposits (M)	3,104.5	3,174.2	3,311.1	3,486.2	3,603.9	3,679.9	3,657.3	
Ratio of Bank Debits to Deposits P.O.	104.1	109.6	106.2	116.8	137.8	114.0	106.6	
Bank Debits 12 $\frac{1}{2}$ p.c. (M ^V ₁)	3,625	3,915	3,956	4,583	5,588	4,719	4,387	
Velocity of Bank Deposits (V)	1.17	1.23	1.19	1.31	1.55	1.28	1.20	
Bank Debits less 5 large centres	764	814	817	956	1,025	881	860	
Cash Payments (MV)	679	856	853	968	1,221	995	960	
Cash & Cheque Payments (M ^V ₁ +MV)	4,313	4,771	4,809	5,551	6,809	5,714	5,347	
Index of Cash and Cheque payments	125.3	138.6	139.7	161.3	197.8	166.0	155.3	
Money Supply (M+M)	3,603	3,772	3,927	4,120	4,280	4,347	4,344	



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