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BANK DEBITS TO INDIVIDUAL ACCOUNTS, FEBRUARY, 1943.

The amount of cheques cashed at the thirty-three clearing centres in Canada was \$3,712 million in February compared with \$2,893 million in the same month last year. The gain was more than 28 p.c., reflecting greater economic activity at a slightly higher price level. Increases were shown in each of the five economic areas, the greatest percentage gain having been recorded in Quebec.

The increase in the Maritime Provinces was of minor proportions, the total in February having been \$77.7 million. Gains were shown in Halifax and Saint John, but the increase over February last year was of minor proportions. The amount of cheques cashed in Quebec rose from \$825.8 million in February last year to \$1,173.9 million in the month under review. The gain was no less than 42.2 p.c. Nine of the thirteen centres in Ontario recorded gains over February last year. The net result was an advance from \$1,344 million to \$1,752 million, a gain of 30.3 p.c. The total for Toronto moved up from \$715 million to \$947 million.

Seven of the ten centres in the Prairie Provinces recorded greater debits in February than in the same month last year. The total was \$486 million against \$435 million, a gain of 11.7 p.c. The bank debits in British Columbia rose from \$209.8 million to \$222.2 million a gain of nearly 6 p.c. Increases were shown in Vancouver and Victoria, the advance in the former having been from \$168 million to nearly \$180.0 million.

Comparison with the First Two Months of 1942.

Bank debits in the first two months of 1943 were \$7,611 million against \$6,124 million in the same period of last year. The increase was \$1,488 million or 24.3 p.c. Gains were recorded in each of the five economic areas with Quebec showing the greatest percentage gain. The total for the Maritime Provinces was \$161.6 million against \$154.8 million, a gain of 4.3 p.c. The advance in the Province of Quebec amounted to \$565 million or 32 p.c. Debits in Ontario during the first part of 1943 were \$3,627 million against \$2,862 million one year ago. The gain was \$765 million or 26.7 p.c. The increase in the Prairie Provinces and British Columbia were limited to 10.4 and 13.2 p.c., respectively.

Comparison with January After Seasonal Adjustment

Bank debits reported a minor gain over January after seasonal adjustment. Due to the shortness of the month debits are normally much higher in January than in the second month of the year. The increase in the present case, after the adjustment, was 2.6 p.c. Gains were shown in each of the economic areas in this comparison, except the Prairie Provinces. The advance in the Maritime Provinces was 8.4 p.c., while advances of 6.8 p.c., and 13.5 p.c., were shown in Montreal and in the Province of Quebec, respectively. While debits in Toronto showed a decline of 6.8 p.c., the total for Ontario recorded a minor advance after the usual adjustment. The gain in Winnipeg over January, after seasonal adjustment, was nearly 8 p.c., while a minor decline was shown in the total for the Prairie Provinces as a whole. The debits of Vancouver receded from \$193 million to \$180 million but after adjustment the increase was 2.2 p.c. The gain for the aggregate of the three clearing centres was 3.5 p.c.

Comparison with Other Factors

Debits against current and government accounts were \$3,585 million in February against \$3,758 million in the preceding month. Savings accounts were at a very much lower turn-over, the total having been \$126.7 million against \$141.6 million in January. The index of bank debits on the base of 1935-39 was 152.1 in February against 118.5 in the same month last year. Marked increases have been shown in the indexes of the physical volume of business and employment in manufacturing. The index of wholesale prices advanced from 94.6 to 97.5, and the index of common stock prices rose 14 points to 78.7.

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

FEBRUARY, 1943, WITH COMPARATIVE FIGURES FOR JANUARY, 1943 AND FEBRUARY, 1942,

AND BANK CLEARINGS, FEBRUARY, 1943

Province and Clearing House Centres	DEBITS TO INDIVIDUAL ACCOUNTS			Bank Clearings
	February, 1943	January, 1943	February, 1942	
	\$	\$	\$	\$
<u>Maritime Provinces -</u>				
Halifax	42,375,559	45,087,271	41,138,547	16,347,028
Moncton	12,709,142	14,622,199	14,819,382	4,592,456
Saint John	22,624,958	24,132,864	21,732,901	10,108,449
Total - Maritime Provinces ..	77,709,659	83,842,334	77,690,830	31,047,933
<u>Quebec -</u>				
Montreal	981,054,050	1,025,345,069	746,365,440	641,377,744
Quebec	183,746,429	122,182,961	70,087,435	21,566,858
Sherbrooke	9,117,504	9,591,914	9,357,756	3,970,872
Total - Quebec	1,173,917,983	1,157,119,944	825,810,631	666,915,474
<u>Ontario -</u>				
Brantford	15,812,180	17,237,114	13,673,945	4,314,874
Chatham	10,564,423	11,014,966	8,894,254	2,842,478
Fort William	8,072,795	8,205,611	8,444,260	4,087,914
Hamilton	102,043,748	110,927,528	93,015,297	27,184,659
Kingston	12,098,970	12,745,014	9,037,389	2,940,611
Kitchener	17,352,388	20,640,197	18,289,940	4,883,129
London	37,797,673	47,794,236	33,733,212	11,429,127
Ottawa	484,371,994	436,998,472	334,587,455	267,008,404
Peterborough	10,176,267	11,362,633	11,612,739	3,136,532
St. Catharines ..	17,878,623	19,197,079	17,159,709	5,597,590
Sarnia	10,090,143	10,617,711	8,371,634	2,638,816
Sudbury	6,702,555	8,035,726	8,101,877	4,120,182
Toronto	946,603,812	1,069,218,113	715,205,524	636,684,428
Windsor	72,013,747	91,072,758	64,136,924	16,595,884
Total - Ontario ...	1,751,579,318	1,875,067,158	1,344,264,159	993,464,628
<u>Prairie Provinces -</u>				
Brandon	4,634,444	5,232,814	4,739,452	1,695,717
Calgary	67,371,784	75,855,790	73,464,539	26,485,809
Edmonton	62,159,823	62,723,346	52,320,136	27,515,372
Lethbridge	5,654,979	6,497,542	5,444,716	2,695,862
Medicine Hat	3,418,072	4,258,883	3,290,113	1,562,039
Moose Jaw	8,548,770	11,910,859	7,638,682	2,927,668
Prince Albert ...	3,676,676	3,944,129	3,993,458	2,088,170
Regina	40,643,635	45,105,826	38,458,471	20,363,590
Saskatoon	12,567,575	14,507,825	12,058,776	7,146,785
Winnipeg	277,742,402	315,671,259	233,917,741	175,506,067
Total - Prairie Provinces ..	486,418,160	545,708,273	435,326,084	267,987,079
<u>British Columbia -</u>				
New Westminster ..	9,735,161	9,647,273	10,010,004	2,973,779
Vancouver	179,822,913	192,555,724	168,313,035	109,347,802
Victoria	32,659,929	35,687,652	31,448,839	7,840,400
Total - British Columbia ...	222,218,003	237,890,649	209,771,878	120,161,981
GRAND TOTAL FOR CANADA , ,	3,711,843,123	3,899,628,358	2,892,863,582	2,079,577,095

Table 2. RELATION OF BANK DEBITS TO OTHER FACTORS

ECONOMIC AREAS	CURRENT ACCOUNTS		SAVINGS ACCOUNTS				
	February, 1943	January, 1943	February, 1943	January, 1943			
	\$	\$	\$	\$			
Maritime Provinces	74,977,307	80,530,050	2,732,352	3,312,284			
Quebec	1,126,634,397	1,106,069,278	47,283,586	51,050,666			
Ontario	1,700,475,462	1,814,071,196	51,103,856	60,995,962			
Prairie Provinces	473,852,425	532,221,404	12,565,735	13,486,869			
British Columbia	209,165,491	225,138,731	13,052,512	12,751,918			
GRAND TOTAL FOR CANADA .	3,585,105,082	3,758,030,659	126,738,041	141,597,699			
BANK DEBITS	First	First	Increase (+) Decrease (-)	Percentage of 1943 to 1942			
	Two Months, 1943	Two Months, 1942					
	\$	\$	\$	\$			
Maritime Provinces ...	161,551,993	154,845,922	+	6,706,071	104.3		
Quebec	2,331,037,927	1,765,592,470	+	565,445,457	132.0		
Ontario	3,626,646,476	2,861,724,292	+	764,922,184	126.7		
Prairie Provinces	1,032,126,433	935,179,358	+	96,947,075	110.4		
British Columbia	460,108,652	406,310,384	+	53,798,268	113.2		
GRAND TOTAL FOR CANADA .	7,611,471,481	6,123,652,426	+	1,487,819,055	124.3		
SEASONALLY ADJUSTED	1 9 4 2				1 9 4 3		
ECONOMIC INDEX	February	September	October	November	December	January	February
Bank Debits 1935-39=100	118.5	134.5	135.7	164.0	142.1	148.3	152.1
Physical Volume of Business	192.9	206.1	207.2	207.8	221.2	233.3	227.3
Common Stocks 1935-39=100	64.7	62.6	65.0	67.6	71.3	76.3	78.7
Cost of Living "	115.7	117.4	117.8	118.6	118.8	117.1	116.9
Employment in							
Manufacturing 1926=100	199.0	209.5	211.3	216.4	224.4	235.1	-
Wholesale Prices "	94.6	96.0	96.8	96.9	97.0	97.1	97.5
CIRCULATING MEDIA	Millions of Dollars						
Bank of Canada Notes	479.1	592.6	625.4	657.6	666.3	693.6	677.6
Circulation of Bank Notes	73.6	73.4	71.3	70.1	65.5	61.9	59.7
Total Notes in Hands of Public	462.5	563.7	581.8	623.5	614.4	632.8	632.8
Subsidiary Coin in Hands of Public	48.4	51.8	52.3	52.8	53.3	53.8	54.3
Circulating Media in Hands of Public (m)	510.9	615.5	634.1	676.3	667.7	686.6	687.1
EQUATION OF EXCHANGE							
Notice Deposits	1,720.4	1,700.0	1,748.2	1,708.7	1,629.5	1,673.2	1,722.6
Demand Deposits	1,217.1	1,422.9	1,526.8	1,609.1	1,402.4	1,499.3	1,431.5
Dominion Government Deposits	99.9	89.7	94.9	185.0	576.6	416.5	258.9
Provincial Government Deposits	58.9	98.9	116.2	101.1	71.4	68.2	81.5
Total Deposits (M ₁)	3,096.4	3,311.1	3,486.2	3,603.9	3,679.9	3,657.3	3,494.4
Ratio of Bank Debits to Deposits P.C.	93.4	106.2	116.8	137.8	114.0	106.6	106.2
Bank Debits 12½ p.c. (M ₁ V ₁)	3,254	3,956	4,583	5,588	4,719	4,387	4,176
Velocity of Bank Deposits (V ₁)	1.05	1.19	1.31	1.55	1.28	1.20	1.20
Bank Debits less 5 large centres	694	817	956	1,025	881	860	842
Cash Payments (MV)	625	853	968	1,221	995	960	961
Cash and Cheque Payments (M ₁ V ₁ + MV)	3,879	4,809	5,551	6,809	5,714	5,347	5,137
Index of Cash and Cheque Payments	112.7	139.7	161.3	197.8	166.0	155.3	149.2
Money Supply (M ₁ + M)	3,607	3,927	4,120	4,280	4,347	4,344	4,182



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