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**CANADA**

**DEPARTMENT OF TRADE AND COMMERCE**

**DOMINION BUREAU OF STATISTICS**

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**ANNUAL REPORT**

**OF**

**1. BANK DEBITS TO INDIVIDUAL ACCOUNTS**

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**2. NOTES ON THE EQUATION OF EXCHANGE**

**IN THE PERIOD**

**1919 - 1939**



OTTAWA  
1940

Price 25 cents





## DOMINION BUREAU OF STATISTICS - OTTAWA

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### BANK DEBITS TO INDIVIDUAL ACCOUNTS

or

#### Amount of Cheques Charged against Bank Accounts at the Clearing House Centres in 1939

Financial transfers in the form of bank debits were 2.2 p.c. or \$693 million greater in 1939 than in the preceding year. The total was \$31,617 million compared with \$30,924 million in 1938. Three of the five economic areas recorded gains in this comparison, the exception being Quebec and Ontario. Twenty-one of the thirty-two centres recorded advances over the preceding year. Relatively minor recessions were shown in Montreal and Toronto contrasting with the advance in Winnipeg and Vancouver.

The upward fluctuation in bank debits conformed with the movement in a majority of economic factors. Some recession had been shown in 1938 from the relatively active year of 1937. The recovery was resumed during the year under review. Expansion had been shown during the first eight months of the year and the outbreak of war tended to accelerate the movement. The abundant grain harvest was another stimulating factor during the latter part of the year. After seasonal adjustment, the lowest point in bank debits was reached in February, while the maximum was recorded in September.

#### Fluctuations by Economic Areas

The increase in the bank debits of the Maritime Provinces over 1938 was 6.3 p.c. Gains were shown in Halifax and Moncton, the net increase for the three centres having been more than \$40 million. The recession in the province of Quebec was limited to 1.5 p.c. The city of Quebec recorded a gain of nearly \$102 million or 11.6 p.c., but recessions were shown in Montreal and Sherbrooke.

Seven of the thirteen centres in Ontario recorded gains over 1938. The increase in Ottawa was 5.2 p.c. or about \$62 million. A decline of 2.4 p.c. was shown in Toronto, the debits of the year amounting to \$10,174 million. The net result for the province was a decline of 1.4 p.c. or \$192 million.

Eight of the ten centres in the Prairie Provinces recorded increases in this comparison. Debits in the area were \$5,478 million, a gain of nearly 20 p.c. The increase in Winnipeg alone was 29.5 p.c., or \$783 million. Increases were shown in the three centres of British Columbia, the provincial total recording a gain of 4.3 p.c. or about \$83 million. The total debits of the province were \$2,020 million, of which \$1,587 million were cashed in Vancouver.

#### Comparison with Other Economic Factors

The important factors indicating the trend of economic conditions were well maintained for the most part during 1939. Bond prices reacted sharply in September following the declaration of war, but recovered considerably during the remainder of the year. Wholesale prices showed a downward movement during the first eight months but advanced sharply in the remainder of the year. The index of wholesale prices was 81.7 in December last, compared with 73.5 in the same month of the preceding year. Owing to the considerably lower level during the first part of the year, the index averaged 75.4 during 1939, as compared with 78.6 in the preceding year. The recovery in common stocks in the last four months of 1939 was insufficient to offset the lower levels of the preceding period. The index averaged 101.2 in December against 106.8 in the same month of 1938, and the average standing was reduced from 104.1 in 1938 to 100.5 in the year under review. Employment in manufacturing plants and the physical volume of business generally showed a marked advance in the latter part of the year and the indexes consequently averaged higher than in 1938.

1. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES OF CANADA,  
1936 to 1939.

Province and Clearing House Centres	1936	1937	1938	1939
	\$	\$	\$	\$
<u>Maritime Provinces</u>				
Halifax .....	341,775,552	406,591,857	339,640,504	381,824,396
Moncton.....	98,641,301	112,550,923	108,145,304	108,891,549
Saint John.....	189,985,161	214,216,666	191,897,145	189,232,027
Total - Maritime Provinces	630,402,014	733,359,446	639,682,953	679,947,972
<u>Quebec</u>				
Montreal.....	10,150,016,770	10,596,261,705	9,005,746,968	8,759,472,109
Quebec.....	717,146,205	888,524,702	875,695,644	977,211,370
Sherbrooke.....	71,484,756	83,635,135	83,739,779	83,715,973
Total - Quebec.....	10,938,647,731	11,568,421,542	9,965,182,391	9,820,399,452
<u>Ontario</u>				
Brantford.....	103,221,469	120,088,991	109,468,693	107,113,483
Chatham.....	100,652,126	111,553,991	103,272,854	102,259,883
Fort William.....	63,348,734	68,085,229	68,129,478	67,033,183
Hamilton.....	601,358,570	691,483,173	625,033,425	644,434,304
Kingston.....	67,867,438	76,687,282	71,213,576	72,712,646
Kitchener.....	128,018,389	143,265,155	141,030,659	145,302,026
London.....	420,889,625	413,075,352	389,223,524	385,768,062
Ottawa.....	1,469,292,434	1,348,844,155	1,203,891,077	1,266,268,210
Peterborough.....	68,620,664	75,770,408	70,269,426	70,496,391
Sarnia.....	74,160,267	81,347,420	75,489,832	76,489,776
Sudbury.....	72,735,265	88,780,681	84,715,014	85,812,435
Toronto.....	12,168,836,487	12,226,885,028	10,428,035,428	10,173,866,946
Windsor.....	439,678,369	493,282,632	440,290,022	420,933,103
Total - Ontario.....	15,778,679,837	15,939,149,497	13,810,063,008	13,618,490,448
<u>Prairie Provinces</u>				
Brandon.....	28,313,991	31,358,553	32,845,981	33,810,275
Calgary.....	636,145,594	658,768,183	650,666,363	661,675,521
Edmonton.....	387,386,725	417,969,669	430,271,739	470,279,314
Lethbridge.....	45,780,043	51,787,553	57,226,409	56,702,076
Medicine Hat.....	26,842,729	26,611,236	28,155,429	27,707,009
Moose Jaw.....	77,376,584	73,307,647	68,605,328	83,327,283
Prince Albert.....	25,976,662	28,790,736	25,789,444	27,796,295
Regina.....	495,621,447	428,357,691	507,534,686	555,513,335
Saskatoon.....	121,553,190	121,374,564	114,863,759	121,853,807
Winnipeg.....	4,660,521,712	2,988,695,575	2,656,424,383	3,439,564,964
Total-Prairie Provinces.	6,505,518,677	4,827,021,407	4,572,383,521	5,478,229,879
<u>British Columbia</u>				
New Westminster.....	70,089,850	74,751,206	73,972,517	78,647,117
Vancouver.....	1,682,786,803	1,692,513,585	1,546,113,353	1,587,410,731
Victoria.....	322,481,831	330,844,455	316,964,989	354,226,232
Total - British Columbia	2,075,358,484	2,098,109,246	1,937,050,859	2,020,284,080
GRAND TOTAL FOR CANADA..	35,928,606,743	35,166,061,138	30,924,362,732	31,617,351,831



2. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES OF CANADA,  
1938 and 1939.

	1938	1939	Increase (+) Decrease (-)	Percentage of 1939 to 1938
	\$	\$	\$	P.C.
<u>Maritime Provinces</u>				
Halifax.....	339,640,504	381,824,396	+ 42,183,892	112.4
Moncton.....	108,145,304	108,891,549	+ 746,245	100.7
Saint John.....	191,897,145	189,232,027	- 2,665,118	98.6
Total - Maritime Provinces	639,682,953	679,947,972	+ 40,265,019	106.3
<u>Quebec</u>				
Montreal.....	9,005,746,968	8,759,472,109	- 246,274,859	97.3
Quebec.....	875,695,644	977,211,370	+ 101,515,726	111.6
Sherbrooke.....	83,739,779	83,715,973	- 23,806	99.97
Total - Quebec.....	9,965,182,391	9,820,399,452	- 144,782,939	98.5
<u>Ontario</u>				
Brantford.....	109,468,693	107,113,483	- 2,355,210	97.8
Chatham.....	103,272,854	102,259,883	- 1,012,971	99.0
Fort William.....	68,129,478	67,033,183	- 1,096,295	98.4
Hamilton.....	625,033,425	644,434,304	+ 19,400,879	103.1
Kingston.....	71,213,576	72,712,646	+ 1,499,070	102.1
Kitchener.....	141,030,659	145,302,026	+ 4,271,367	103.0
London.....	389,223,524	385,768,062	- 3,455,462	99.1
Ottawa.....	1,203,891,077	1,266,268,210	+ 62,377,133	105.2
Peterborough.....	70,269,426	70,496,391	+ 226,965	100.3
Sarnia.....	75,489,832	76,489,776	+ 999,944	101.3
Sudbury.....	84,715,014	85,812,435	+ 1,097,421	101.3
Toronto.....	10,428,035,428	10,173,866,946	- 254,168,482	97.6
Windsor.....	440,290,022	420,933,103	- 19,356,919	95.6
Total - Ontario.....	13,810,063,008	13,618,490,448	- 191,572,560	98.6
<u>Prairie Provinces</u>				
Brandon.....	32,845,981	33,810,275	+ 964,294	102.9
Calgary.....	650,666,363	661,675,521	+ 11,009,158	101.7
Edmonton.....	430,271,739	470,279,314	+ 40,007,575	109.3
Lethbridge.....	57,226,409	56,702,076	- 524,333	99.1
Medicine Hat.....	28,155,429	27,707,009	- 448,420	98.4
Moose Jaw.....	68,605,328	83,327,283	+ 14,721,955	121.5
Prince Albert.....	25,789,444	27,796,295	+ 2,006,851	107.8
Regina.....	507,534,686	555,513,335	+ 47,978,649	109.5
Saskatoon.....	114,863,759	121,853,807	+ 6,990,048	106.1
Winnipeg.....	2,656,424,383	3,439,564,964	+ 783,140,581	129.5
Total - Prairie Provinces.	4,572,383,521	5,478,229,879	+ 905,846,358	119.8
<u>British Columbia</u>				
New Westminster.....	73,972,517	78,647,117	+ 4,674,600	106.3
Vancouver.....	1,546,113,353	1,587,410,731	+ 41,297,378	102.7
Victoria.....	316,964,989	354,226,232	+ 37,261,243	111.8
Total - British Columbia..	1,937,050,859	2,020,284,080	+ 83,233,221	104.3
GRAND TOTAL FOR CANADA....	30,924,362,732	31,617,351,831	+ 692,989,099	102.2

3. INDEX NUMBERS OF BANK DEBITS IN CANADA BASED ON THE AVERAGE FOR 1926  
EQUALLING 100, CORRECTED FOR SEASONAL VARIATION ACCORDING TO  
EXPERIENCE WITH BANK DEBITS OVER A TERM OF YEARS

Year and Month	Montreal	Toronto	Winnipeg	Vancouver	CANADA
1939					
January.....	101.1	127.6	59.9	107.4	104.0
February.....	90.8	107.5	62.0	95.9	91.5
March.....	104.5	124.9	68.6	101.2	104.5
April.....	98.1	131.1	61.2	93.2	103.6
May.....	96.7	133.3	78.6	97.4	104.3
June.....	101.6	131.6	70.6	99.4	104.5
July.....	90.9	109.0	56.9	96.8	92.9
August.....	96.7	119.1	79.5	99.6	101.7
September.....	100.5	130.2	132.9	107.7	117.9
October.....	84.9	118.4	106.3	106.8	105.1
November.....	87.4	118.1	128.7	108.9	105.4
December.....	98.8	133.6	132.7	111.7	112.7

4. BANK DEBITS, BANK CLEARINGS AND PERCENTAGE OF BANK DEBITS TO  
CLEARINGS BY MONTHS DURING 1938 and 1939

Year and Month	Bank Debits	Bank Clearings	Percentage of Bank Debits to Bank Clearings
	\$	\$	
1938			
January.....	2,444,600,036	1,358,033,794	180.0
February.....	2,175,995,261	1,168,079,388	186.3
March.....	2,370,658,176	1,320,041,908	179.6
April.....	2,401,369,770	1,360,269,458	176.5
May.....	2,461,867,389	1,423,764,308	172.9
June.....	2,730,577,687	1,486,260,480	183.7
July.....	2,466,370,454	1,358,399,533	181.6
August.....	2,371,129,327	1,352,863,433	175.3
September.....	2,654,812,850	1,515,434,868	175.2
October.....	2,975,777,968	1,672,195,072	178.0
November.....	2,965,079,443	1,661,720,515	178.4
December.....	2,906,124,371	1,586,511,086	183.1
Total.....	30,924,362,732	17,263,573,843	179.1
1939			
January.....	2,511,881,724	1,455,085,952	172.6
February.....	2,050,003,522	1,162,814,624	176.3
March.....	2,428,097,769	1,285,504,289	188.9
April.....	2,473,031,928	1,378,373,757	179.4
May.....	2,839,206,623	1,644,783,457	172.6
June.....	2,831,081,944	1,487,021,085	190.4
July.....	2,376,528,320	1,360,840,080	174.6
August.....	2,389,740,956	1,411,563,009	169.3
September.....	2,831,650,702	1,700,904,086	166.5
October.....	2,898,915,767	1,626,619,338	178.2
November.....	2,930,345,995	1,612,187,620	181.8
December.....	3,056,866,581	1,617,087,154	189.0
Total.....	31,617,351,831	17,742,784,451	178.2



5. BANK DEBITS AT THE CLEARING HOUSE CENTRES OF CANADA, BY CLEARING CENTRES  
AND BY MONTHS, DURING 1938 and 1939.

1. MARITIME PROVINCES

Year and Month	Halifax	Moncton	Saint John	Total for Maritime Provinces
	\$	\$	\$	\$
1938				
January.....	27,691,754	8,712,325	16,173,930	52,578,009
February.....	23,836,473	7,795,207	13,324,427	44,956,107
March.....	26,309,252	8,008,770	15,430,735	49,748,757
April.....	25,312,464	8,692,055	16,346,409	50,350,928
May.....	26,198,683	9,161,821	17,822,916	53,183,420
June.....	27,961,406	10,267,947	17,033,243	55,262,596
July.....	30,504,422	8,867,389	16,712,075	56,083,886
August.....	27,186,427	9,149,319	16,920,876	53,256,622
September.....	28,906,604	9,018,944	14,510,443	52,435,991
October.....	27,726,197	9,400,193	15,588,065	52,714,455
November.....	35,356,712	9,174,931	16,208,996	60,740,639
December.....	32,650,110	9,896,403	15,825,030	58,371,543
Total.....	339,640,504	108,145,304	191,897,145	639,682,953
1939				
January.....	27,897,925	7,864,955	15,094,199	50,857,079
February.....	22,795,549	7,090,180	12,934,343	42,820,072
March.....	27,886,533	7,752,969	14,890,187	50,529,689
April.....	24,857,448	7,492,229	14,078,233	46,427,910
May.....	40,536,999	9,017,000	16,227,793	65,781,792
June.....	27,719,896	9,434,332	16,037,369	53,191,597
July.....	30,651,862	9,603,251	16,116,737	56,371,850
August.....	26,779,214	9,165,541	16,244,676	52,189,431
September.....	32,592,653	9,666,988	16,392,939	58,652,580
October.....	42,057,080	10,035,837	16,659,575	58,752,492
November.....	38,866,663	10,043,139	17,315,547	66,225,349
December.....	39,182,574	11,725,128	17,240,429	68,148,131
Total.....	381,824,396	108,891,549	189,232,027	679,947,972

2. PROVINCE OF QUEBEC

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
1938				
January.....	707,710,261	56,336,001	6,308,141	770,354,403
February.....	623,556,096	49,988,907	5,648,995	679,193,998
March.....	690,473,909	80,014,698	6,945,109	777,433,716
April.....	701,138,183	53,370,063	6,716,061	761,224,307
May.....	742,055,690	52,358,122	6,820,956	801,234,768
June.....	835,892,841	62,342,215	7,677,821	905,912,877
July.....	794,943,513	67,030,945	7,054,020	869,028,478
August.....	706,156,970	67,091,433	6,799,497	780,047,900
September.....	722,025,084	74,506,402	7,055,023	803,586,509
October.....	818,123,143	119,605,891	7,478,040	945,207,074
November.....	854,815,098	121,281,390	7,718,319	983,814,807
December.....	808,856,180	71,769,577	7,517,797	888,143,554
Total.....	9,005,746,968	875,695,644	83,739,779	9,965,182,391

5. BANK DEBITS AT CLEARING HOUSE CENTRES OF CANADA, BY CLEARING CENTRES AND BY MONTHS, DURING 1938 and 1939. (Cont'd.)

2. PROVINCE OF QUEBEC (Concluded).

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
<u>1939</u>				
January .....	737,025,257	56,464,011	5,977,366	799,466,634
February.....	592,769,680	71,079,976	5,442,158	669,291,814
March.....	757,205,084	74,782,630	5,757,543	837,745,257
April.....	722,709,985	93,050,854	5,769,571	821,530,410
May.....	793,569,516	81,232,711	7,431,947	882,234,174
June.....	837,974,982	86,546,877	7,204,378	931,726,237
July.....	702,686,811	92,269,777	7,354,960	802,311,548
August.....	685,329,642	102,822,137	6,966,847	795,118,626
September.....	723,910,437	91,499,955	6,896,508	822,306,900
October.....	686,346,296	80,346,429	7,752,175	774,444,900
November.....	728,644,857	70,222,727	8,517,266	807,384,850
December.....	791,299,562	76,893,286	8,645,254	876,838,102
<b>Total.....</b>	<b>8,759,472,109</b>	<b>977,211,370</b>	<b>83,715,973</b>	<b>9,820,399,452</b>

3. PROVINCE OF ONTARIO

Year and Month	Brantford	Chatham	Fort William	Hamilton
	\$	\$	\$	\$
<u>1938</u>				
January.....	8,582,570	11,894,028	5,891,103	51,337,485
February.....	7,675,269	8,448,208	4,846,088	46,741,423
March.....	8,480,623	8,333,772	5,239,842	49,664,770
April.....	9,054,538	8,238,538	4,908,525	53,882,938
May.....	9,476,095	7,624,885	5,404,920	50,813,948
June.....	9,721,954	8,259,455	5,728,227	54,753,457
July.....	9,631,473	6,992,958	5,616,863	54,913,993
August.....	8,409,236	7,088,714	6,797,039	50,673,484
September.....	8,442,118	6,721,140	6,057,142	53,016,179
October.....	10,019,544	7,597,377	6,393,943	58,403,923
November.....	9,690,402	10,268,045	5,560,389	51,563,387
December.....	10,284,871	11,805,734	5,685,397	49,268,438
<b>Total.....</b>	<b>109,468,693</b>	<b>103,272,854</b>	<b>68,129,478</b>	<b>625,033,425</b>
<u>1939</u>				
January.....	7,243,718	9,484,737	5,076,336	46,914,196
February.....	7,048,801	8,082,655	4,816,171	42,971,014
March.....	8,315,231	8,162,756	4,190,309	45,021,969
April.....	7,897,770	5,866,135	4,317,764	46,364,157
May.....	9,919,738	7,974,689	5,402,716	52,055,374
June.....	9,334,485	13,646,811	5,637,652	54,014,347
July.....	8,842,031	7,243,545	5,525,338	53,977,407
August.....	8,155,912	6,232,399	6,311,489	53,524,239
September.....	9,893,507	7,671,052	5,949,803	54,719,331
October.....	10,314,913	7,440,406	6,421,095	65,430,234
November.....	9,702,944	9,447,574	6,872,128	64,589,335
December.....	10,444,433	11,007,124	6,512,382	64,852,701
<b>Total.....</b>	<b>107,113,483</b>	<b>102,259,883</b>	<b>67,033,183</b>	<b>644,434,304</b>



5. BANK DEBITS AT THE CLEARING HOUSE CENTRES OF CANADA, BY CLEARING CENTRES  
AND BY MONTHS, DURING 1938 AND 1939. (Cont'd.)

3. PROVINCE OF ONTARIO (Cont'd.)

Year	Kingston	Kitchener	London	Ottawa	Peterborough
	\$	\$	\$	\$	\$
1938					
January .....	6,308,127	12,208,426	37,614,196	98,343,397	5,432,091
February.....	5,279,141	15,392,822	26,065,187	87,205,435	5,014,057
March.....	5,321,655	10,146,656	31,024,016	101,898,103	5,632,234
April.....	5,375,089	10,744,615	30,677,039	108,762,218	5,740,049
May.....	6,119,658	12,379,935	32,464,802	134,365,671	5,999,778
June.....	5,867,379	11,158,027	43,897,290	102,959,857	6,128,471
July.....	5,756,985	10,853,970	33,063,731	114,527,845	5,856,375
August.....	5,273,190	10,638,580	28,126,765	89,788,230	5,526,462
September....	6,226,710	11,345,637	25,280,381	78,146,641	6,328,324
October.....	6,945,170	11,392,528	30,830,140	100,265,082	5,903,096
November.....	6,445,729	11,900,455	32,923,027	98,718,516	6,077,714
December.....	6,294,743	12,869,008	37,256,950	88,910,082	6,630,775
Total.....	71,213,576	141,030,659	389,223,524	1,203,891,077	70,269,426
1939					
January.....	5,979,093	12,239,449	35,685,352	94,417,304	5,410,261
February.....	4,330,582	9,333,467	24,594,631	69,307,245	4,576,701
March.....	5,486,558	10,475,536	28,476,138	82,599,441	5,282,327
April.....	5,571,637	10,583,264	29,352,877	107,946,009	5,328,302
May.....	7,023,556	12,825,698	35,803,733	104,771,581	5,724,649
June.....	5,886,937	11,305,133	35,199,468	113,128,164	5,916,416
July.....	5,512,168	11,710,865	28,498,473	118,660,799	6,170,251
August.....	5,456,552	10,993,369	30,139,332	86,366,658	5,758,858
September....	6,438,158	12,300,794	31,868,252	93,064,531	6,157,941
October.....	7,519,171	13,570,155	35,395,950	113,322,349	7,012,341
November.....	6,192,376	14,544,801	32,474,715	171,411,361	6,080,498
December.....	7,315,858	15,419,495	38,279,141	111,272,768	7,077,846
Total.....	72,712,646	145,302,026	385,768,062	1,266,268,210	70,496,391
	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
1938					
January.....	7,368,308	6,840,693	844,370,476	43,556,278	1,139,747,178
February.....	5,307,147	5,997,765	827,100,900	35,070,288	1,080,143,730
March.....	5,842,020	6,525,037	843,185,970	37,154,777	1,118,449,475
April.....	5,851,797	7,097,520	806,274,806	36,792,692	1,093,400,364
May.....	5,985,070	7,564,174	801,426,726	36,011,607	1,115,637,269
June.....	6,698,572	7,135,714	999,828,988	41,311,633	1,303,449,024
July.....	6,539,401	7,629,010	791,299,662	34,166,757	1,086,849,023
August.....	5,904,657	7,327,496	817,683,004	29,294,070	1,072,530,927
September....	6,127,409	6,983,036	775,088,832	32,747,486	1,022,511,035
October.....	6,267,802	7,228,944	876,357,330	32,719,520	1,160,324,399
November.....	6,289,519	7,337,750	974,923,701	34,713,608	1,256,412,242
December.....	7,308,130	7,047,875	1,070,495,033	46,751,306	1,360,608,342
Total.....	75,489,832	84,715,014	10,428,035,428	440,290,022	13,810,063,008

5. BANK DEBITS AT THE CLEARING HOUSE CENTRES OF CANADA, BY CLEARING CENTRES  
AND BY MONTHS, DURING 1938 AND 1939. (Cont'd.)

3. PROVINCE OF ONTARIO (Concluded)

Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
1939					
January .....	6,089,196	6,305,489	888,786,638	37,897,060	1,161,528,829
February.....	5,047,598	5,822,558	711,020,748	33,182,864	930,135,035
March.....	6,014,312	6,339,445	843,208,185	33,964,135	1,087,536,342
April.....	6,222,671	6,185,537	860,959,127	37,476,954	1,134,072,204
May.....	7,837,302	7,630,693	998,350,322	39,895,526	1,295,215,577
June.....	8,850,089	7,244,256	972,680,594	38,641,463	1,281,485,815
July.....	5,933,322	7,199,104	706,230,931	32,392,874	997,897,108
August.....	5,586,483	7,532,565	714,839,202	30,290,778	971,187,836
September....	6,002,504	8,207,487	840,586,361	31,342,490	1,114,202,211
October.....	6,161,896	7,775,392	839,186,701	32,012,522	1,151,563,125
November.....	6,343,689	7,914,991	847,413,416	34,540,362	1,217,528,190
December.....	6,400,714	7,654,918	950,604,721	39,296,075	1,276,138,176
Total.....	76,489,776	85,812,435	10,173,866,946	420,933,103	13,618,490,448

4. PRAIRIE PROVINCES.

Year and Month	Brandon	Calgary	Edmonton	Lethbridge
	\$	\$	\$	\$
1938				
January.....	2,563,755	50,462,259	37,386,977	3,877,685
February.....	1,762,550	37,788,730	27,600,012	2,983,590
March.....	2,179,691	43,139,644	34,558,961	3,822,542
April.....	2,713,767	47,581,608	35,753,880	4,195,784
May.....	2,770,609	44,685,645	36,609,232	3,960,764
June.....	2,823,713	48,152,879	35,332,505	3,996,732
July.....	2,909,712	42,631,608	34,406,276	3,678,488
August.....	2,727,159	42,747,438	32,522,526	4,486,957
September....	3,335,838	70,312,773	35,967,439	7,442,657
October.....	3,320,254	91,606,553	42,556,226	7,682,372
November.....	2,997,137	65,210,963	38,293,553	5,934,889
December.....	2,741,796	66,346,263	39,284,152	5,163,949
Total.....	32,845,981	650,666,363	430,271,739	57,226,409
1939				
January.....	2,597,268	51,511,296	35,567,852	4,088,887
February.....	1,874,910	38,048,751	28,012,333	3,435,043
March.....	2,221,650	42,754,592	31,577,035	3,563,587
April.....	2,457,635	46,393,010	37,336,097	4,256,505
May.....	2,798,523	46,169,510	38,345,844	4,318,767
June.....	2,908,690	48,013,820	46,947,373	4,047,193
July.....	2,730,277	45,137,053	36,490,030	4,279,710
August.....	2,754,686	46,604,077	34,923,402	4,569,055
September....	3,303,569	63,248,912	41,724,634	6,061,199
October.....	3,805,775	84,712,006	46,061,268	6,953,777
November.....	3,283,896	73,722,035	45,035,621	5,783,330
December.....	3,073,396	75,360,459	48,257,825	5,345,023
Total.....	33,810,275	661,675,521	470,279,314	56,702,076



5. BANK DEBITS AT THE CLEARING HOUSE CENTRES OF CANADA, BY CLEARING CENTRES  
AND BY MONTHS, DURING 1938 AND 1939. (Cont'd.)

4. PRAIRIE PROVINCES (Cont'd.)

Year and Month	Medicine Hat	Moose Jaw	Prince Albert	Regina
	\$	\$	\$	\$
1938				
January .....	2,019,985	5,114,338	2,385,050	39,332,406
February .....	1,542,257	4,507,038	1,632,925	27,122,693
March .....	1,734,405	5,246,170	2,046,596	28,894,060
April .....	2,028,737	4,883,403	2,066,040	59,004,758
May .....	1,879,515	5,173,608	2,108,394	38,207,074
June .....	1,951,672	5,882,664	2,222,352	38,123,791
July .....	2,091,097	4,404,514	2,145,301	39,613,245
August .....	1,939,092	4,935,489	2,124,906	30,045,472
September .....	3,706,407	7,233,707	2,171,931	68,195,340
October .....	4,176,307	8,684,892	2,594,894	62,460,144
November .....	2,857,228	6,534,485	2,165,080	44,663,917
December .....	2,228,727	6,005,020	2,125,975	31,871,786
Total .....	28,155,429	68,605,328	25,789,444	507,534,686

1939				
January .....	2,141,754	5,903,372	1,818,799	32,655,812
February .....	1,427,817	4,881,976	1,577,972	22,275,423
March .....	1,721,466	4,180,313	1,899,700	27,905,751
April .....	2,159,979	5,453,933	1,814,138	35,254,793
May .....	2,193,677	6,288,506	2,187,380	54,335,388
June .....	2,061,898	5,616,365	2,251,396	36,548,854
July .....	2,109,436	5,461,259	2,247,735	38,785,345
August .....	2,045,974	5,722,029	2,178,576	34,648,508
September .....	2,370,260	7,944,119	2,619,924	83,632,017
October .....	4,131,984	11,474,097	3,296,595	92,959,238
November .....	2,890,452	10,270,642	3,097,486	54,584,236
December .....	2,452,312	10,130,672	2,806,594	41,927,970
Total .....	27,707,009	83,327,283	27,796,295	555,513,335

	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
1938			
January .....	8,639,665	173,372,494	325,154,614
February .....	6,738,753	121,475,145	233,203,693
March .....	7,880,600	141,524,858	271,027,527
April .....	9,521,380	185,872,675	353,622,032
May .....	9,401,584	199,633,199	344,429,624
June .....	9,051,204	164,335,894	311,873,406
July .....	8,973,337	152,949,840	293,803,418
August .....	9,547,537	176,672,982	307,749,558
September .....	10,394,905	381,795,024	590,556,021
October .....	12,664,411	394,767,848	630,513,901
November .....	10,776,315	313,133,719	492,567,286
December .....	11,224,068	250,890,705	417,882,441
Total .....	114,863,759	2,656,424,383	4,572,383,521

5. BANK DEBITS AT THE CLEARING HOUSE CENTRES OF CANADA, BY CLEARING CENTRES  
AND BY MONTHS, DURING 1938 AND 1939. (Concluded).

4. PRAIRIE PROVINCES (Concluded).

Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
1939			
January.....	8,668,182	177,538,280	322,491,502
February.....	6,756,812	149,860,922	258,151,959
March.....	7,820,061	163,767,436	287,411,591
April.....	8,349,513	167,793,905	311,269,508
May.....	9,867,361	270,622,791	437,127,747
June.....	8,224,903	232,201,770	388,822,262
July.....	8,567,597	205,596,186	351,404,628
August.....	9,129,329	264,073,604	406,649,240
September.....	12,042,837	446,185,390	669,132,861
October.....	16,041,377	458,226,069	727,662,186
November.....	13,977,899	455,370,130	668,015,727
December.....	12,407,936	448,328,481	650,090,668
Total.....	121,853,807	3,439,564,964	5,478,229,879

5. BRITISH COLUMBIA

Year and Month	New West- minster	Vancouver	Victoria	Total for British Columbia	CANADA
	\$	\$	\$	\$	\$
1938					
January.....	5,782,514	124,140,571	26,842,747	156,765,832	2,444,600,036
February.....	5,290,059	109,904,792	23,302,882	138,497,733	2,175,995,261
March.....	5,805,940	123,819,134	24,373,627	153,998,701	2,370,658,176
April.....	5,908,132	113,388,741	23,475,266	142,772,139	2,401,369,770
May.....	6,072,655	116,486,253	24,823,400	147,382,308	2,461,867,389
June.....	6,471,221	118,611,018	28,997,545	154,079,784	2,730,577,687
July.....	6,407,742	117,135,068	37,062,839	160,605,649	2,466,370,454
August.....	6,680,525	125,753,994	25,109,801	157,544,320	2,371,129,327
September...	6,239,176	156,198,081	23,286,037	185,723,294	2,654,812,850
October.....	6,703,126	155,074,438	25,240,575	187,018,139	2,975,777,968
November....	6,021,202	139,313,598	26,209,669	171,544,469	2,965,079,443
December....	6,590,225	146,287,665	28,240,601	181,118,491	2,906,124,371
Total.....	73,972,517	1,546,113,353	316,964,989	1,937,050,859	30,924,362,732
1939					
January.....	5,504,830	145,435,988	26,596,862	177,537,680	2,511,881,724
February....	5,429,932	118,651,940	25,522,770	149,604,642	2,050,003,522
March.....	6,093,212	130,697,179	28,084,499	164,874,890	2,428,097,769
April.....	6,226,642	121,764,914	31,740,340	159,731,896	2,473,031,928
May.....	6,145,123	125,750,282	26,951,928	158,847,333	2,839,206,623
June.....	7,418,980	129,383,352	39,053,701	175,856,033	2,831,081,944
July.....	6,640,263	125,578,825	36,324,098	168,543,186	2,376,528,320
August.....	6,650,226	132,064,372	25,881,225	164,595,823	2,389,740,956
September...	7,294,513	129,514,461	30,547,176	167,356,150	2,831,650,702
October.....	7,479,013	140,781,121	28,232,930	176,493,064	2,898,915,767
November....	6,683,462	139,023,972	25,484,445	171,191,879	2,930,345,995
December....	7,080,921	148,764,325	29,806,258	185,651,504	3,056,866,581
Total.....	78,647,117	1,587,410,731	354,226,232	2,020,284,080	31,617,351,831



6. BANK DEBITS IN CANADA AND IN ECONOMIC AREAS FROM 1925 to 1939.  
IN MILLION DOLLARS

Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1925 .....	28,126	572.5	8,475.2	11,236.0	6,000.0	1,842.3
1926 .....	30,358	604.7	9,909.5	11,998.3	5,885.6	1,959.8
1927 .....	36,094	627.7	12,643.9	14,641.8	6,127.0	2,053.1
1928 .....	43,477	745.5	14,912.7	17,312.8	8,006.7	2,499.3
1929 .....	46,670	798.0	16,483.7	18,543.3	7,922.8	2,922.8
1930 .....	37,491	708.4	13,137.1	15,044.4	6,279.1	2,322.5
1931 .....	31,586	652.5	10,550.1	13,376.8	5,201.2	1,805.8
1932 .....	25,844	519.2	7,766.2	11,258.9	4,797.2	1,502.8
1933 .....	29,981	481.0	8,567.1	13,027.4	6,414.4	1,491.6
1934 .....	32,867	534.2	9,449.7	14,919.5	6,337.2	1,626.0
1935 .....	31,546	574.1	8,977.5	13,876.6	6,445.4	1,672.5
1936 .....	35,929	630.4	10,938.6	15,778.7	6,505.5	2,075.4
1937 .....	35,166	733.4	11,568.4	15,939.1	4,827.0	2,098.1
1938 .....	30,924	639.7	9,965.2	13,810.1	4,572.4	1,937.1
1939 .....	31,617	679.9	9,820.4	13,618.5	5,478.2	2,020.3

Percentage of Preceding Years to 1939.

1925 .....	89.0	84.2	86.3	82.5	109.5	91.2
1926 .....	96.0	88.9	100.9	88.1	107.4	97.0
1927 .....	114.2	92.3	128.8	107.5	111.8	101.6
1928 .....	137.5	109.6	151.9	127.1	146.2	123.7
1929 .....	147.6	117.4	167.9	136.2	144.6	144.7
1930 .....	118.6	104.2	133.8	110.5	114.6	115.0
1931 .....	99.9	96.0	107.4	98.2	94.9	89.4
1932 .....	81.7	76.4	79.1	82.7	87.6	74.4
1933 .....	94.8	70.7	87.2	95.7	117.1	73.8
1934 .....	104.0	78.6	96.2	109.6	115.7	80.5
1935 .....	99.8	84.4	91.4	101.9	117.7	82.8
1936 .....	113.6	92.7	111.4	115.9	118.8	102.7
1937 .....	111.2	107.9	117.8	117.0	88.1	103.9
1938 .....	97.8	94.1	101.5	101.4	83.5	95.9

7. INDEXES OF FIVE ECONOMIC FACTORS, WITH SEASONAL ADJUSTMENT WHERE NECESSARY,  
1936 - 1939.  
1926 = 100

Year and Month	Bank Debits	Physical Volume of Business	Employment in Manufacturing first of following month	Wholesale Prices	Common Stocks
<u>1936</u>					
January.....	122.1	105.2	102.4	72.9	112.9
February.....	128.9	104.9	101.3	72.5	120.7
March.....	111.3	103.3	102.3	72.4	117.4
April.....	115.5	108.8	102.2	72.2	115.9
May.....	109.8	109.7	100.6	71.9	112.8
June.....	125.8	110.3	101.9	72.3	113.8
July.....	119.8	110.0	101.9	74.3	114.3
August.....	116.2	113.2	103.0	76.1	114.7
September....	132.9	115.3	106.1	76.4	119.5
October.....	114.5	119.8	106.6	77.1	126.9
November.....	110.1	120.0	108.1	77.2	131.8
December.....	117.8	112.0	111.1	79.6	129.2
Average.....	118.7	111.0	103.9	74.6	119.2

7. INDEXES OF FIVE ECONOMIC FACTORS, WITH SEASONAL ADJUSTMENT WHERE NECESSARY,  
1936 - 1939.

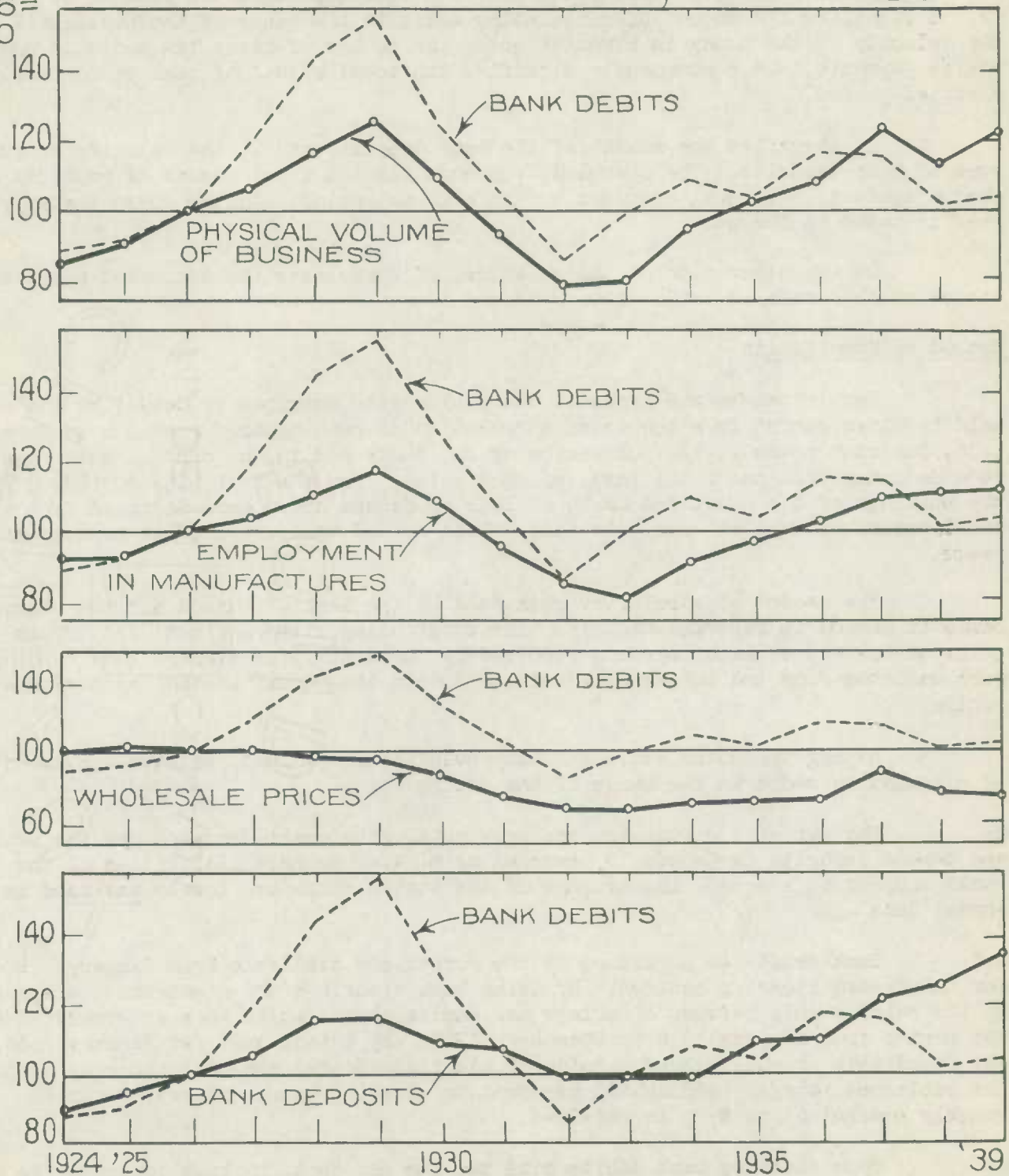
1926 = 100 (Concluded)

Year and Month	Bank Debits	Physical Volume of Business	Employment in Manufacturing first of following month	Wholesale Prices	Common Stocks
<u>1937</u>					
January.....	133.6	116.9	109.3	81.3	137.4
February.....	121.9	115.0	109.6	82.9	142.4
March.....	137.4	118.7	112.1	85.5	147.2
April.....	141.3	124.0	113.2	86.1	136.2
May.....	101.7	122.0	114.7	85.1	132.2
June.....	106.7	126.0	115.9	84.6	129.4
July.....	106.3	126.5	114.8	87.5	133.0
August.....	111.2	123.4	117.9	85.6	135.2
September.....	113.9	123.8	118.5	85.0	118.9
October.....	105.3	127.4	117.8	84.7	105.8
November.....	105.2	127.9	117.5	83.1	103.1
December.....	113.6	121.4	117.7	82.7	103.7
Average.....	117.5	122.8	114.9	84.5	127.0
<u>1938</u>					
January.....	101.2	111.8	115.9	83.8	107.7
February.....	97.1	106.7	114.5	83.6	107.1
March.....	102.1	108.8	112.9	83.1	99.2
April.....	100.5	112.4	111.7	82.3	97.9
May.....	90.4	110.7	109.7	80.3	99.7
June.....	100.8	108.4	110.2	80.1	100.0
July.....	96.4	109.1	109.5	78.6	106.9
August.....	100.9	110.5	107.5	76.0	105.2
September.....	110.6	119.2	110.6	74.5	98.6
October.....	107.8	118.6	109.0	74.1	109.7
November.....	106.6	123.4	109.9	73.5	110.4
December.....	107.1	115.6	111.3	73.5	106.8
Average.....	101.8	112.9	111.2	78.6	104.1
<u>1939</u>					
January.....	104.0	113.0	111.3	73.2	102.9
February.....	91.5	111.7	110.0	73.2	104.1
March.....	104.5	113.2	109.3	73.2	103.7
April.....	103.6	116.7	108.0	73.4	96.2
May.....	104.3	121.4	107.5	73.7	99.2
June.....	104.5	121.4	109.4	73.3	97.0
July.....	92.9	120.5	109.1	72.6	97.3
August.....	101.7	125.2	110.3	72.4	94.2
September.....	117.9	125.8	112.1	78.2	100.1
October.....	105.1	133.1	116.0	79.3	106.0
November.....	105.4	133.0	121.0	80.3	103.6
December.....	112.7	133.3	123.6	81.7	101.2
Average.....	104.0	122.4	112.3	75.4	100.5



# BANK DEBITS COMPARED WITH FOUR OTHER FACTORS, 1924-1939

1926=  
100



## II. CANADA'S EQUATION OF EXCHANGE IN THE INTER-WAR PERIOD.

The following tables bearing on the equation of exchange in Canada for the last twenty-one years may be of interest. The equation takes the form of  $MV + M_1V_1 = PT$ .  $M$  signifies the amount of circulating media in the hands of the public.  $V$  is the velocity of the money in circulation or the number of times the media is used in making payments.  $MV$  consequently signifies the total amount of cash payments within a stated period.

$M_1$  signifies the amount of the bank deposits and  $V_1$  the velocity or turn-over of such deposits. The symbol  $M_1V_1$  stands for the total amount of payments by cheque against individual accounts during a given period. In the present study, the year is taken as the unit.

On the other side of the equation,  $PT$  symbolizes the estimated national income on the basis of 1926 = 100.

### Method of Compilation

Bank notes in the hands of the public were obtained by deducting the "notes held by other banks" from the total circulation of bank notes. Previous to March 1935, Dominion notes in the possession of the banks and in the central gold reserves were deducted from the total issue of such notes. For the last nine months of 1935, the holdings of the chartered banks of Bank of Canada notes were deducted from the total amount of such notes outstanding. This method was continued in subsequent years.

The amount of subsidiary coin held by the Bank of Canada and the chartered banks in Canada is reported monthly. The outstanding silver, nickel and bronze coins at the end of each year are reported by the Mint. The average bank holdings were deducted from the outstanding coin to obtain the amount in the hands of the public.

Adding the notes and subsidiary coin items obtained, we have the amount of circulating media in the hands of the public.

$M_1$  The sum of the Dominion and provincial government deposits and the notice and demand deposits in Canada is regarded as  $M_1$  i.e. deposit liabilities of the banks subject to cheque. The average of the twelve month-end totals was used as annual data.

$M_1V_1$  Bank debits as published by the Bureau are available from January, 1924 for thirty-two clearing centres. By using bank clearings and a constant, determined by the relationship between clearings and debits, bank debits were interpolated for the period from January 1919 to December, 1923. By a test made for January 1935, it was found that cheques cashed outside of clearing centres amount to  $12\frac{1}{2}$  per cent of the published totals. Adding  $12\frac{1}{2}$  per cent to clearing-house returns, a series roughly equivalent to  $M_1V_1$  is obtained.

$V_1$  Upon dividing bank debits plus the  $12\frac{1}{2}$  per cent, by bank deposits, we ascertain the velocity of deposits, the  $V_1$  of the equation.

$V$  As no statistics are available showing the amount of money paid into the chartered banks during any given period, it is impossible to directly obtain the velocity of circulating media in the hands of the public.



It is inferred from experience in the United States that the turnover of money is about 16.5 per cent greater than the turnover of deposits. The estimated velocity of money in the United States from 1896 to 1909 was nearly 21 according to statistics given in Irving Fisher's "Purchasing Power of Money". The average turnover of deposits in Canada from 1919 to 1939 was 17.5. The turnover of money on this basis was regarded as being 16.5 per cent greater than that of deposits. These assumptions admittedly involve a margin of error, but money payments play a small part in comparison with cheque payments and the resulting error in total payments is not regarded as important.

MV      Multiplying the circulating media in the hands of the public by the velocity, the total cash payments were obtained. Total payments by cash and cheque,  $MV + M_1V_1$ , were obtained in millions of dollars by addition, the results being shown in Table 4.

While a detailed study of the national income during the inter-war period has not been carried to the point justifying the publication of the totals, an index number based on preliminary results presents a tentative measure of the trend and fluctuations. The national income estimates, embracing in terms of value the entire economic activities of the Dominion, should correlate with the sum of cheque and cash payments.

As stated, statistics of bank debits as published in this bulletin are limited to returns from clearing house centres only. For the purpose of establishing the ratio of the debits in clearing centres to the total amount of debits charged to all accounts at all branch banks in Canada in a particular month, a special enquiry was made by the Canadian Bankers' Association in regard to the amount of bank debits charged to accounts at branch banks outside of clearing house centres during January 1935. It was ascertained that the total debits outside of clearing house centres were in that month only 12.5 per cent of the debits in clearing centres.

Since payments by cheque in the thirty-two clearing centres of Canada were, \$31,617 million in 1939 compared with \$30,924 million in the preceding year, and since bank debits outside of clearing centres are about 12.5 per cent of the reported totals, it follows that, as nearly as can be estimated, cheque payments in the Dominion as a whole were about \$35,570 million in 1939 compared with \$34,810 million in 1938. It is estimated that currency in circulation averaged about \$251 million, a new record, compared with \$235 million in the preceding year. On this basis, it is calculated that the total payments by cheque and cash were about \$39,595 million compared with \$38,729 million in 1938. The sum of cheque and cash payments constitutes one side of the equation of exchange, while the other is the total net value of commodities and services produced or the national income.

The cyclical fluctuation of bank deposits is of a more moderate character than that of bank debits, the turnover of bank deposits being much greater in periods of prosperity than in depression. Thus the rate of turnover of bank deposits in 1939, as ascertained by dividing the grand total of bank debits in all centres by the average of bank deposits, was 13.75 times as compared with 23.04 times in 1929. The present record level of bank deposits is sufficient for considerable business and speculative expansion. If the same ratio had been maintained in 1939 as in 1929, payments by cheque would have aggregated \$59.6 billion compared with the total of \$35.6 billion obtained by adding 12.5 per cent to the recorded amount of debits in the thirty-two centres.

The main factors in the equation of exchange are shown by years during the post-war period in the chart on page 13 and the following tables 1 to 4.

1. Circulating Media in Hands of Public

Millions of Dollars

Year	Dominion and Bank of Canada Notes /3	Circu- lation of Bank Notes /3	Total Notes in Hands of Public/1/3	Subsidiary Coin Out- standing	Subsidiary Coin in Hands of Public	Circulat- ing Media in Hands of Public(M)
1919	308.0	218.9	217.0	28.77	22.97	239.97
1920	305.8	228.8	214.2	30.28	24.48	238.68
1921	271.5	194.6	171.2	30.30	24.50	195.70
1922	240.4	166.5	151.7	30.19	24.39	176.09
1923	240.9	170.4	160.1	30.23	24.43	184.53
1924	226.0	166.1	179.0	30.13	24.33	203.33
1925	212.7	165.2	175.8	30.13	24.33	200.13
1926	190.0	168.9	180.3	30.04	24.24	204.54
1927	184.9	172.1	184.1	30.00	24.20	208.30
1928	201.2	176.7	189.0	30.97	25.17	214.17
1929	204.4	178.3	191.5	32.26	26.46	217.96
1930	174.6	159.3	173.0	32.35	26.55	199.55
1931	153.1	142.0	156.7	32.83	27.03	183.73
1932	165.9	132.2	149.1	33.35	27.55	176.65
1933	179.2	130.4	149.8	33.27	27.47	177.27
1934	190.3	135.5	155.7	33.70	27.90	183.60
1935	127.3 /2	125.6	165.9	33.67	27.87	193.77
1936	105.3	119.5	179.9	34.00	28.20	208.10
1937	141.1	110.3	199.1	35.29	29.49	228.58
1938	161.1	99.9	203.7	36.63	30.97	234.67
1939	184.9	94.1	218.1	38.87	33.18	251.28

/1 Holdings of chartered banks and of Central Gold Reserves are deducted from the sum of the first and second columns to give total notes in hands of public.

/2 Bank of Canada notes first appear in the last ten months of the year 1935.

/3 Average of monthly data.

The letters in the headings represent symbols used in formula.

2. Deposits in Canada, Average of Monthly Data

	Notice Deposits	Demand Deposits	Dominion Government Deposits	Provincial Government Deposits	Sum of Deposits (M)
1919	1,125.2	621.7	181.8	22.0	1,950.7
1920	1,239.3	653.9	188.4	21.4	2,102.9
1921	1,289.3	551.9	109.4	28.8	1,979.5
1922	1,191.6	502.8	83.7	28.8	1,806.2
1923	1,197.3	523.2	50.6	34.3	1,805.3
1924	1,198.2	511.2	53.9	34.8	1,798.1
1925	1,269.5	531.2	34.5	23.8	1,859.1
1926	1,340.6	553.3	31.3	21.6	1,946.8
1927	1,399.1	596.1	45.4	25.6	2,066.1
1928	1,496.6	677.5	42.2	21.8	2,238.1
1929	1,479.9	696.4	77.8	24.5	2,278.6
1930	1,427.6	622.9	47.7	28.0	2,126.2
1931	1,438.0	578.6	49.0	24.4	2,089.9
1932	1,376.3	486.3	55.6	26.2	1,944.3
1933	1,378.5	488.5	38.8	23.2	1,929.0
1934	1,372.8	514.0	35.1	30.8	1,952.6
1935	1,445.3	568.6	25.5	39.3	2,078.7
1936	1,518.2	618.3	37.8	39.3	2,213.7
1937	1,573.7	691.3	47.2	42.7	2,354.9
1938	1,630.5	690.5	49.4	44.9	2,415.3
1939	1,699.2	741.7	92.3	53.5	2,586.7



3. Bank Debits and Velocity of Deposits and Money.

Millions of Dollars

Year	Bank Clear- ings	Bank Debits in 32 Centres	Bank Debits adding $12\frac{1}{2}$ p.c. (M <sub>1</sub> V <sub>1</sub> )	Velocity of Bank Deposits (V <sub>1</sub> )	Velocity of Money or 116.5 p.c. of V <sub>1</sub> (V)	Bank Debits less four large Centres
1919	16,680.9	27,332.0	30,748.5	15.76	18.37	9,386.9
1920	20,251.1	33,212.0	27,363.5	17.77	20.71	11,571.0
1921	17,443.1	28,526.0	32,091.8	16.21	18.89	9,735.5
1922	16,227.1	26,567.0	29,887.9	16.54	19.27	8,991.1
1923	17,332.6	28,354.0	31,898.3	17.67	20.59	9,453.8
1924	17,008.0	27,159.5	30,554.4	16.99	19.80	9,641.1
1925	16,761.5	28,126.1	31,641.8	17.02	19.83	10,086.4
1926	17,715.1	30,358.0	34,152.8	17.54	20.44	11,064.7
1927	20,568.4	36,093.5	40,605.2	19.65	22.90	12,360.7
1928	24,554.9	43,477.0	48,911.6	21.85	25.46	14,990.0
1929	25,105.2	46,670.5	52,504.3	23.04	26.85	16,441.3
1930	20,091.9	37,491.3	42,177.7	19.84	23.12	13,634.6
1931	16,827.6	31,586.5	35,534.8	17.00	19.81	11,116.2
1932	12,914.2	25,844.3	29,074.8	14.95	17.42	9,155.1
1933	14,720.6	29,981.5	33,729.1	17.49	20.38	9,426.4
1934	15,963.6	32,866.7	36,975.0	18.94	22.07	10,154.4
1935	16,927.5	31,546.1	35,489.3	17.07	19.89	10,462.7
1936	19,202.5	35,928.6	40,419.7	18.26	21.27	11,971.0
1937	18,850.4	35,166.1	39,561.8	16.80	19.59	12,401.1
1938	17,263.6	30,924.4	34,810.0	14.41	16.79	11,515.9
1939	17,742.8	31,617.4	35,569.6	13.75	16.02	11,619.3

4. Total Payments by Cheque and Cash, and Index of Estimated

National Income

Millions of Dollars and Indexes, 1926 = 100

Year	Cash Payments (MV)	Cash and Cheque Payments (M <sub>1</sub> V <sub>1</sub> + MV)	Index of Estimated National Income / (PT)
1919	4,408.2	35,156.7	94.6
1920	4,943.1	42,306.6	100.9
1921	3,696.8	35,788.6	77.1
1922	3,393.3	33,281.2	81.0
1923	3,820.1	35,718.4	87.2
1924	4,025.9	34,580.3	86.2
1925	3,968.6	35,610.4	93.4
1926	4,191.0	38,343.8	100.0
1927	4,770.1	45,375.3	106.7
1928	5,452.8	54,364.4	111.2
1929	5,852.2	58,356.5	114.9
1930	4,613.6	46,791.3	103.0
1931	3,639.7	39,174.5	85.3
1932	3,077.2	32,152.0	72.1
1933	3,612.8	37,341.9	68.0
1934	4,052.1	41,027.1	75.2
1935	3,854.1	39,343.3	80.1
1936	4,426.3	44,846.0	87.6
1937	4,477.9	44,039.7	97.3
1938	3,940.1	38,728.8	93.2
1939	4,025.5	39,595.1	100.3

The letters in the headings represent symbols used in formula. / Preliminary.







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