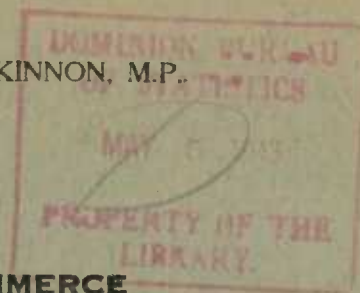


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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
GENERAL STATISTICS BRANCH

ANNUAL REPORT
OF
BANK DEBITS TO INDIVIDUAL ACCOUNTS
AND
EQUATION OF EXCHANGE
1941



OTTAWA
1942

Price 25 cents

DOMINION BUREAU OF STATISTICS - OTTAWA

GENERAL STATISTICS BRANCH

Acting Dominion Statistician:	S.A. Cudmore, M.A. (Oxon.), F.S.S., F.R.S.C.
Chief, General Statistics Branch:	Sydney B. Smith, M.A.

BANK DEBITS IN 1941.

The sum of the cheques cashed in clearing centres throughout Canada showed a continuance of the upward trend during the year under review. The total of \$39,243 million represented a gain of 14 p.c. over the \$34,437 million cashed during 1940 and was more than 24 p.c. greater than the amount for 1939. The increase in debits exceeded that shown by several other barometers of economic conditions. The index of the physical volume of business rose 11.1 p.c. from 121.1 to 134.6, with the index of industrial production rising 10.4 p.c. to 148.0. General employment, however, recorded a much greater increase than any of these factors. The average standing for 1941 was 152.3 or 22.6 p.c. greater than during the preceding year, with the gain in manufacturing employment being of even larger proportions.

Wholesale prices rose 8.4 p.c. during the year under review, the steady advance of the preceding year being just about maintained. Small monthly advances continued up to the end of the year. Common stock prices showed decline, falling off 12.8 p.c. from 1940. Capitalized bond yields showed a gain of 5 p.c., the average index for 1941 on the base of 1935-1939 standing at 104.8.

The total volume of bank debits rose in all five economic areas. Ontario recorded the largest increase of 18.4 p.c. British Columbia and the Maritime Provinces advanced in about the same ratio as the Dominion, with Quebec rising by 11 p.c. and the Prairie Provinces by 7.7 p.c.

Fairly uniform increases were recorded in each of the three Maritime clearing centres. In Quebec, the Montreal total showed a rise of nearly 14 p.c., but the provincial aggregate was lowered by the recession in Quebec city.

Each of the established Ontario clearing centres recorded advances, the creation of a new centre at St. Catharines further increasing the provincial total. Ottawa again showed the largest relative increase, rising by 52 per cent from \$2,191 million to \$3,334 million, largely due to the expansion of governmental activities. Gains of over 50 p.c. were also recorded by Hamilton and Windsor, among the more important centres. The gain in Toronto was 8 p.c., the total increase for the province amounting to \$2,830 million.

The highest percentage gain in the Prairie Provinces was recorded by Prince Albert, at 35.8 p.c. Calgary led the larger centres with a rise of 20.9 p.c. Winnipeg showed the greatest actual advance, but the percentage increase was only 4.3. Each of the ten clearing centres in this area posted higher totals than in 1940. The gain for the economic area as a whole was \$473 million.

All three centres showed advances in British Columbia with the Vancouver debits rising by 13.9 p.c.

Toronto again led in amount of cheques cashed, with a greater increase over 1940 being recorded by Montreal. The Toronto total was \$11,354.8 million, the Montreal aggregate being \$9,904.9 million. The sum of debits in Winnipeg was \$4,011.3. Ottawa, Vancouver, Hamilton and Quebec were other centres with average debits of over a billion dollars each.

TABLE 1. INDEX NUMBERS OF BANK DEBITS IN CANADA BASED ON THE AVERAGE FOR 1935 - 1939
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
1941					
January	93.6	101.8	89.3	101.2	111.8
February	94.1	86.3	92.6	110.6	104.1
March	95.5	94.3	111.0	104.6	112.3
April	97.5	100.2	116.1	108.3	114.8
May	97.3	91.2	128.4	109.8	110.2
June	127.7	135.7	118.6	163.2	143.8
July	103.0	96.4	118.9	127.7	116.4
August	112.1	99.5	107.8	122.5	123.1
September	115.7	109.9	106.0	128.6	126.3
October	108.6	105.4	98.7	127.9	120.8
November	101.3	98.4	100.6	127.4	113.2
December	119.2	103.0	118.7	123.3	124.9

TABLE 2. BANK DEBITS, BANK CLEARINGS AND PERCENTAGE OF BANK DEBITS TO
CLEARINGS BY MONTHS DURING 1940 and 1941.

Year and Month	Bank Debits	Bank Clearings	Percentage of Bank Debits to Bank Clearings
	\$	\$	
1940			
January	2,674,334,955	1,403,020,651	190.6
February	2,955,217,112	1,559,641,674	189.5
March	2,412,660,476	1,340,493,662	180.0
April	2,938,297,856	1,487,253,163	197.6
May	3,339,595,188	1,850,333,552	180.5
June	2,681,334,963	1,456,621,363	184.1
July	2,622,547,472	1,423,432,773	183.6
August	2,457,706,213	1,375,709,392	178.7
September	2,571,235,762	1,411,782,770	182.1
October	3,526,624,710	1,790,669,214	196.9
November	3,043,322,205	1,715,327,604	177.7
December	3,208,347,577	1,686,960,401	190.3
Total	34,437,474,479	18,505,951,224	186.1
1941			
January	2,941,104,197	1,624,413,259	181.1
February	2,540,182,412	1,445,652,847	175.7
March	2,838,145,853	1,613,379,358	175.9
April	2,984,165,460	1,652,991,632	180.5
May	3,265,871,770	1,934,456,635	168.8
June	4,240,629,935	1,914,143,154	221.6
July	3,241,706,647	1,801,514,111	179.9
August	3,149,790,606	1,759,220,717	179.0
September	3,300,731,342	1,817,625,337	181.6
October	3,627,173,887	2,064,633,378	175.7
November	3,426,905,805	2,015,135,321	170.1
December	3,686,546,270	2,086,983,265	176.6
Total	39,242,957,184	21,730,204,164	180.6

II. CANADA'S EQUATION OF EXCHANGE 1921 - 1941.

Total cheque payments in clearing centres rose by about 14 p.c. during 1941, standing at \$39,243 million as compared with \$34,437.5 million in the preceding year. The total number of clearing centres was raised to thirty-three by the inclusion of St. Catherines. Payments by cheque for the Dominion as a whole estimated by adding 12.5 p.c. for transactions outside of clearing centres were \$44,148.4 million in the year under review as compared with \$38,742.2 in 1940. Currency in circulation during last year probably amounted to about \$342 million, somewhat higher than the total for 1940. Cash payments, however, appear to have been much greater in 1941 than during the preceding year, and also far above the record established in 1929. Aggregate cash and cheque payments were set at \$51,065 million as compared with \$44,211 million in 1940.

Bank deposits posted a further substantial increase in the year under review, rising from \$2,749 million in 1940 to \$3,026 million. Demand deposits recorded a marked gain, and those held by the Dominion Government rose by more than 50 p.c. Notice deposits fell off somewhat. The rate of turnover of bank deposits remained very moderate rising to 14.54 as compared with 14.09 in 1940. Total deposits are now at a far higher level than at any other period, and even with cash and cheque transactions expanding at their present rate, the velocity of the deposits is still relatively low.

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 turnover 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 index of the estimated national income.

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 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.

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1940 and 1941.

1. MARITIME PROVINCES

Year and Month	Halifax	Moncton	Saint John	Total for Maritime Provinces
	\$	\$	\$	\$
1940				
January	35,788,559	9,929,205	17,843,268	63,561,032
February	44,570,361	10,040,128	20,670,633	75,281,122
March	34,740,557	8,979,339	16,784,729	60,504,625
April	38,994,872	9,270,564	18,720,650	66,986,095
May	41,173,794	10,278,501	20,326,197	71,778,492
June	32,663,527	11,244,585	17,997,298	61,905,410
July	39,906,721	11,322,920	19,912,279	71,141,920
August	33,610,893	12,635,018	18,106,058	64,351,969
September	34,973,672	10,580,317	17,113,740	62,667,729
October	42,069,922	12,844,100	22,405,238	77,319,310
November	48,137,050	11,903,302	18,465,250	78,503,582
December	39,777,902	12,848,180	17,862,468	70,488,550
Total	466,407,830	131,876,159	226,205,847	824,489,836
1941				
January	41,380,777	11,471,944	19,944,742	72,797,463
February	31,579,107	10,426,983	17,688,529	59,694,619
March	40,110,067	10,812,935	20,851,618	71,774,620
April	41,937,300	11,202,499	20,623,024	73,762,823
May	42,114,807	12,016,763	21,767,499	75,899,069
June	54,028,662	13,748,774	27,826,457	95,603,893
July	42,926,689	12,577,856	19,860,124	75,364,669
August	45,460,407	12,729,551	19,348,485	78,038,443
September	44,664,965	13,235,629	20,481,483	78,382,077
October	46,233,347	15,604,443	22,419,965	84,257,755
November	50,127,250	15,124,535	19,913,327	85,170,112
December	51,802,990	15,796,155	22,367,464	89,966,609
Total	532,366,368	154,748,067	253,597,717	940,712,152

2. PROVINCE OF QUEBEC

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
1940				
January	682,031,206	119,727,915	7,147,098	808,906,219
February	807,449,954	133,150,752	7,364,389	947,965,095
March	641,811,405	115,446,663	6,986,751	764,244,819
April	753,443,833	66,446,537	7,280,808	827,170,978
May	895,255,784	73,196,977	8,785,631	977,238,392
June	664,521,700	72,391,150	8,344,269	745,257,119
July	684,638,866	76,379,642	8,682,311	769,700,819
August	632,814,530	83,516,984	7,841,075	724,172,589
September	625,495,767	82,771,182	7,834,899	716,101,848
October	779,621,358	128,330,768	9,758,636	917,710,762
November	725,385,786	89,618,367	8,093,108	823,097,261
December	821,987,104	119,820,482	8,787,120	950,594,706
Total	8,714,457,293	1,160,797,219	97,806,095	9,973,060,607

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 amounted to ~~12½~~ ^{12½} per cent of the published totals. Adding 12½ per cent to clearing-house returns, a series roughly equivalent to M_1V_1 is obtained.

V_1 Upon dividing bank debits plus the 12½ 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.

A detailed study of the national income during the inter-war period has been carried to the point justifying the publication of the totals. 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.

The main factors in the equation of exchange are shown by years during the period from 1921 to the present in Tables 6 to 9.

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1940 and 1941.
(Cont'd.)

2. PROVINCE OF QUEBEC (Concluded).

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
1941	\$	\$	\$	\$
January	699,934,547	72,355,040	8,034,632	780,324,219
February	630,009,953	76,849,808	7,503,752	714,453,493
March	709,334,920	89,869,916	7,372,194	807,077,030
April	736,691,678	75,604,436	8,920,588	821,216,702
May	818,554,511	95,514,439	10,003,339	924,072,289
June	1,080,267,910	81,465,810	11,380,955	1,173,114,675
July	817,741,230	79,427,930	9,884,296	907,053,456
August	814,703,823	103,955,407	9,503,248	928,162,478
September	853,888,096	81,870,281	9,355,230	945,113,607
October	899,895,122	105,472,376	10,645,458	1,016,012,956
November	865,650,936	88,638,721	9,798,010	964,187,667
December	978,145,166	98,926,057	10,356,785	1,087,428,008
Total	9,904,907,872	1,050,000,221	113,753,487	11,068,666,580

3. PROVINCE OF ONTARIO

Year and Month	Brantford	Chatham	Fort William	Hamilton	Kingston
1940	\$	\$	\$	\$	\$
January ...	9,677,788	9,714,157	5,921,565	62,758,514	6,794,273
February ..	10,175,418	9,583,489	6,163,799	65,315,321	7,137,792
March	9,035,600	8,256,869	4,771,412	57,774,374	5,843,750
April	9,673,918	8,904,203	5,327,211	68,310,174	6,848,476
May	12,324,952	10,231,517	6,360,914	73,469,917	8,915,296
June	11,571,759	11,462,533	6,972,304	70,366,208	7,589,570
July	10,708,151	8,684,918	7,318,717	70,708,652	7,978,833
August	10,593,796	7,324,218	8,249,220	72,330,931	8,038,238
September .	10,552,261	7,710,230	7,021,162	64,566,067	7,080,712
October ...	14,355,660	10,524,335	8,135,484	78,805,651	10,286,872
November ..	12,607,169	10,684,555	7,127,815	76,561,520	7,740,310
December ..	12,639,671	12,047,939	7,898,211	77,082,442	8,052,402
Total	133,916,143	114,928,963	81,267,814	837,849,771	92,306,524
1941					
January ...	12,258,505	8,300,765	6,634,190	80,833,217	8,200,373
February ..	10,298,633	8,187,032	6,538,949	73,896,019	5,251,117
March	11,508,499	8,358,037	7,413,307	82,265,967	7,197,060
April	12,721,422	9,258,509	8,003,181	81,987,237	7,831,954
May	14,415,468	8,531,256	9,463,192	99,073,149	8,649,573
June	16,419,217	16,542,242	13,260,463	110,696,173	11,194,813
July	13,536,623	10,281,316	11,010,383	90,830,405	8,612,843
August	12,830,215	9,459,073	8,648,548	92,203,162	9,232,405
September .	13,614,878	10,304,931	9,438,446	90,391,535	8,884,667
October ...	15,130,636	9,825,002	9,286,524	102,929,853	10,040,585
November ..	14,370,078	12,174,989	9,874,775	97,168,825	9,264,560
December ..	16,372,840	13,532,463	10,445,160	102,922,868	11,152,724
Total	163,477,014	124,725,615	110,017,118	1,105,198,410	105,513,274

EQUATION OF EXCHANGE AS COMPARED WITH THE NATIONAL INCOME, 1919-41

1935-39:100

National Income -----

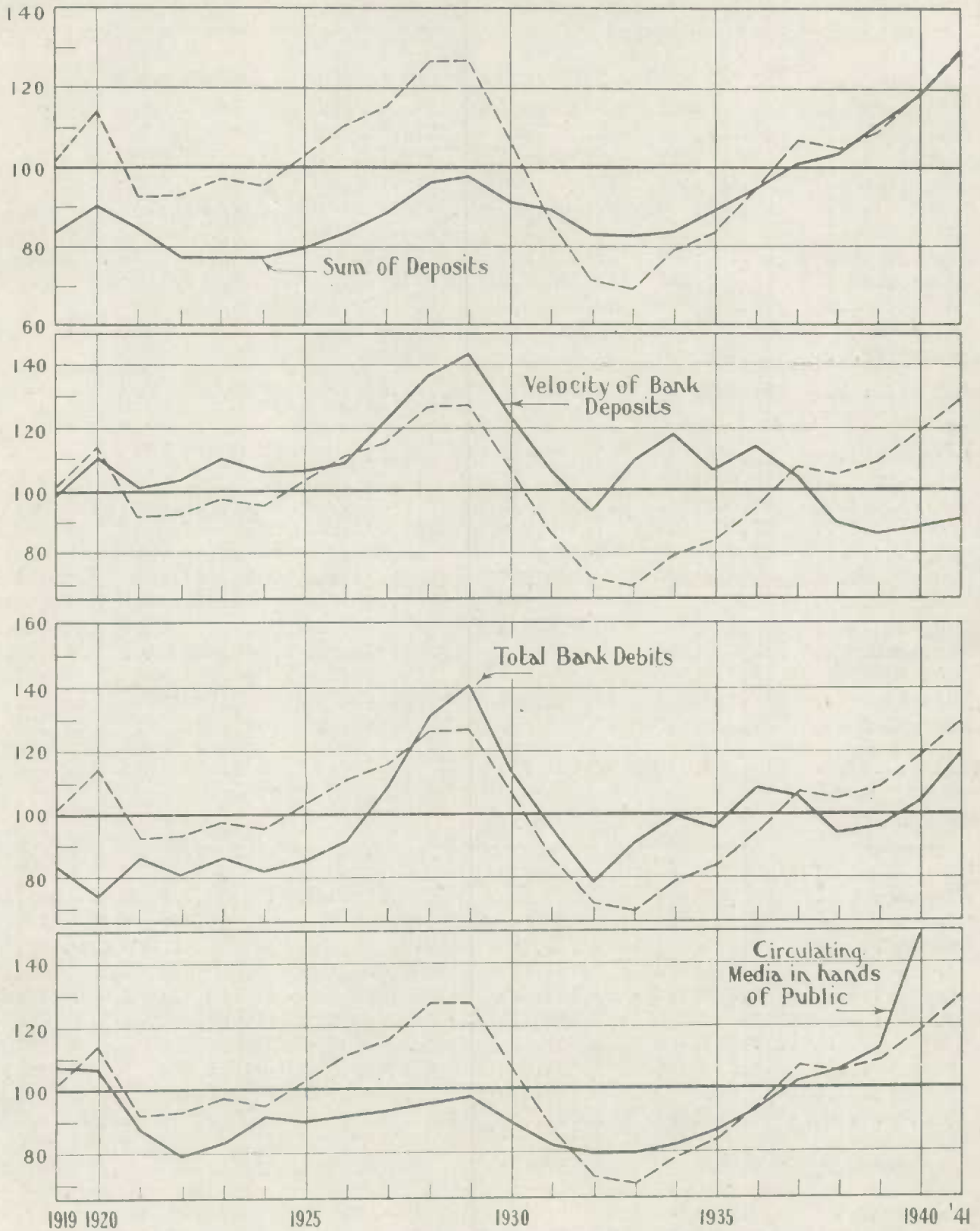


TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1940 and 1941. (Cont'd.)

3. PROVINCE OF ONTARIO (Cont'd.)

Year and Month	Kitchener	London	Ottawa	Peterborough	St.Catharines
	\$	\$	\$	\$	\$
1940					
January	12,657,895	33,182,392	126,531,096	6,722,244	-
February ...	15,585,834	40,900,581	125,109,191	7,575,703	-
March	12,468,786	31,610,514	116,743,892	6,902,931	-
April	14,168,058	33,042,514	229,751,346	7,159,970	-
May	16,430,544	40,419,934	156,724,612	7,749,982	-
June	13,402,555	37,206,733	153,274,545	7,597,460	-
July	13,661,134	34,618,148	169,135,795	7,739,283	-
August	13,144,806	29,827,260	163,611,654	7,626,829	-
September ..	13,391,874	31,722,805	197,690,937	7,101,156	-
October	16,522,319	50,744,361	303,905,806	8,655,053	-
November ...	14,636,133	36,939,316	247,577,967	7,182,325	-
December ...	18,427,558	41,407,620	201,525,670	8,569,687	-
Total	174,497,496	441,622,178	2,191,382,511	90,582,623	-
1941					
January	15,848,118	41,829,642	248,616,500	8,326,490	-
February ...	13,649,044	30,306,515	219,284,174	6,694,005	-
March	15,307,568	33,835,413	252,349,031	7,725,032	-
April	17,047,346	37,876,426	242,091,324	8,923,816	-
May	17,757,274	39,898,204	215,853,623	9,759,001	16,953,871
June	28,811,836	65,036,097	296,121,167	12,287,133	21,884,727
July	17,006,259	40,631,753	288,316,625	8,974,018	17,541,600
August	16,322,212	40,329,294	232,884,803	9,924,323	16,738,163
September ..	17,473,570	37,463,240	284,134,071	9,418,813	15,912,145
October	19,411,205	45,278,357	324,997,134	10,774,354	15,744,646
November ...	18,776,914	40,214,048	337,659,207	9,793,525	16,808,743
December ...	21,003,544	44,765,759	342,146,824	11,943,231	19,170,071
Total	218,414,890	497,464,748	3,334,459,483	114,549,341	140,738,966
Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
1940					
January	6,042,577	7,027,351	811,272,943	37,482,795	1,135,585,590
February ...	6,730,599	6,660,066	975,621,035	39,304,776	1,315,913,604
March	5,117,671	6,714,984	748,995,181	33,572,815	1,052,808,779
April	5,730,668	7,407,117	889,606,147	42,305,908	1,328,235,710
May	6,728,327	8,398,688	1,007,802,417	47,510,721	1,403,067,821
June	7,275,700	8,280,177	873,848,550	44,193,392	1,253,041,986
July	6,787,103	7,604,394	706,095,974	38,325,358	1,089,367,060
August	6,643,181	7,359,324	731,806,800	40,895,921	1,107,452,178
September ..	5,993,205	7,145,612	688,973,355	44,262,511	1,093,211,887
October	8,048,087	8,403,503	1,141,343,633	56,752,716	1,716,283,480
November ...	6,629,898	7,548,366	939,039,913	52,722,741	1,426,847,988
December ...	7,739,215	7,787,266	996,048,433	63,361,283	1,462,587,397
Total	79,516,191	90,337,448	10,510,504,381	545,691,437	15,384,403,480

EQUATION OF EXCHANGE AS COMPARED WITH THE NATIONAL INCOME, 1919-41

1935=100

National Income -----

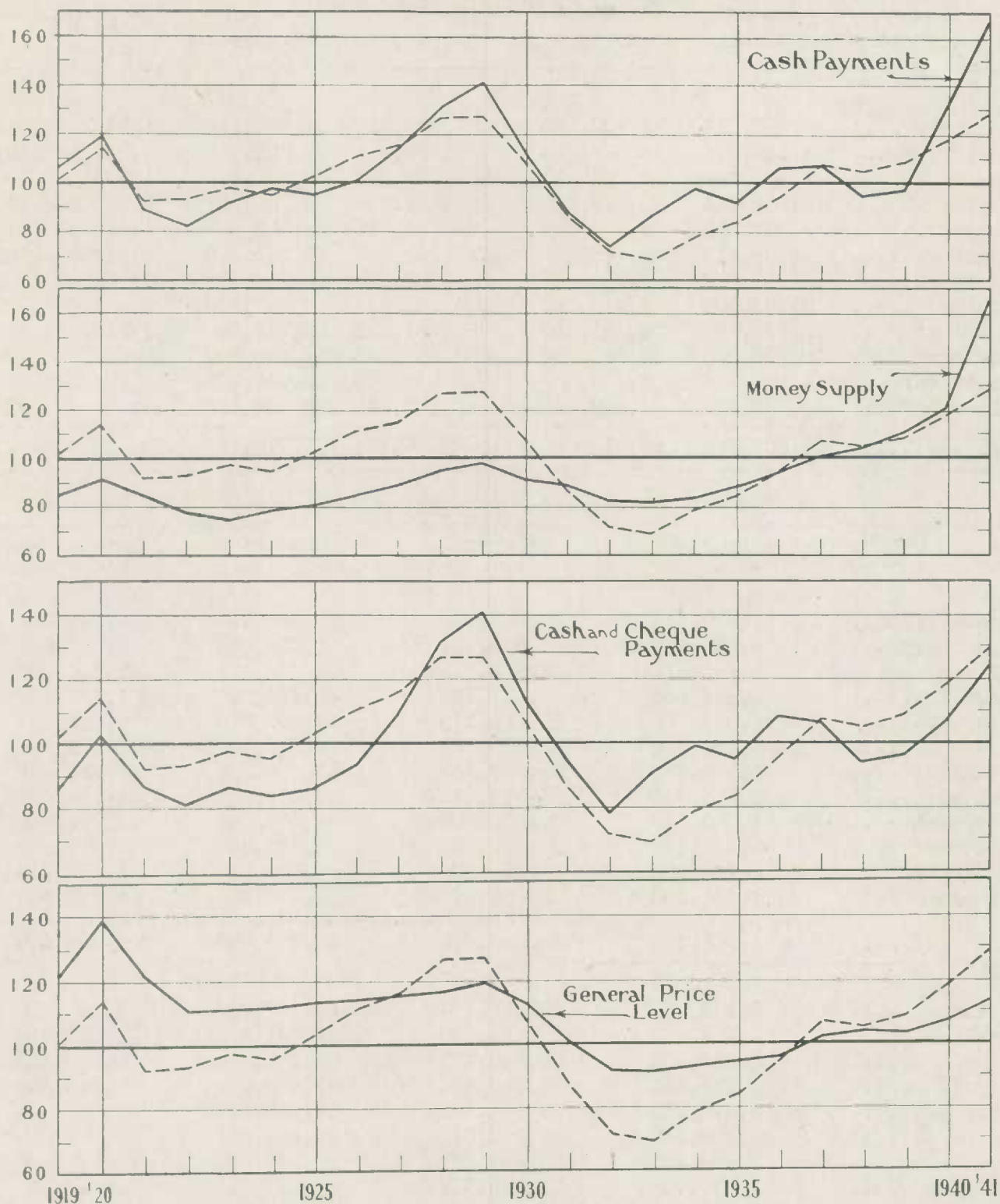


TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1940 and 1941. (Cont'd.)

3. PROVINCE OF ONTARIO (Concluded)					
Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
1941					
January	9,223,217	7,307,764	960,539,821	54,635,722	1,462,604,924
February ...	5,512,484	6,355,628	778,204,984	53,822,123	1,217,770,707
March	5,628,344	7,204,514	862,661,003	56,597,925	1,358,051,700
April	6,787,044	6,590,722	891,451,798	59,287,991	1,389,858,770
May	9,237,012	8,379,353	925,253,584	66,207,853	1,443,427,413
June	9,986,214	9,423,298	1,357,932,937	76,233,053	2,045,329,420
July	8,711,072	8,997,575	846,309,018	55,644,500	1,426,403,990
August	8,381,584	8,419,663	808,881,874	53,331,303	1,333,037,127
September ..	10,296,775	8,461,508	961,637,341	58,737,340	1,536,169,260
October	10,193,996	8,560,350	1,011,984,146	66,405,860	1,660,363,248
November ...	11,000,714	8,443,245	957,022,266	60,967,870	1,603,544,789
December ...	10,362,129	8,669,145	992,942,649	76,048,116	1,681,477,523
Total	105,820,585	96,812,765	11,354,826,471	742,770,161	13,214,788,841

4. PRAIRIE PROVINCES				
Year and Month	Brandon	Calgary	Edmonton	Lethbridge
	\$	\$	\$	\$
1940				
January	2,810,554	59,737,947	40,787,728	4,274,214
February ...	2,832,912	61,340,351	40,559,061	4,042,600
March	2,451,420	48,869,679	39,509,125	3,664,209
April	2,864,880	54,112,265	40,528,207	4,277,467
May	3,322,726	61,248,915	42,559,270	4,588,224
June	3,170,140	58,605,522	45,692,507	4,502,685
July	3,439,481	58,506,709	41,203,296	4,132,792
August	3,238,913	59,518,611	43,375,508	4,319,637
September ..	4,006,839	66,676,805	49,006,295	5,726,333
October	5,215,146	81,549,363	58,364,306	5,921,350
November ...	4,262,886	73,552,576	53,305,034	5,758,230
December ...	4,290,596	80,609,857	53,433,843	5,499,345
Total	41,906,493	764,328,600	553,324,680	56,707,586
1941				
January	3,198,649	72,932,174	51,497,700	4,598,830
February ...	3,287,707	57,448,036	41,641,951	4,076,248
March	3,074,906	63,252,872	47,177,001	4,475,478
April	3,632,635	71,359,844	48,498,979	5,348,396
May	4,576,718	79,544,794	51,052,347	5,481,634
June	5,623,147	99,792,644	60,204,533	6,086,049
July	3,999,334	75,587,081	50,343,970	5,212,292
August	4,990,762	74,795,518	50,227,717	5,782,703
September ..	5,228,427	74,335,074	51,067,791	5,858,127
October	5,739,303	87,313,185	53,983,653	6,342,743
November ...	5,480,251	79,310,307	55,937,496	6,853,133
December ...	5,662,068	87,161,317	58,962,852	7,007,943
Total	54,553,907	923,982,846	620,645,790	67,723,576

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1940 and 1941. (Cont'd.)

4. PRAIRIE PROVINCES (Cont'd.)

Year and Month	Medicine Hat	Moose Jaw	Prince Albert	Regina
	\$	\$	\$	\$
1940				
January	2,025,721	6,756,536	2,465,689	37,800,850
February	1,998,533	6,782,376	2,238,103	32,097,070
March	1,943,040	5,544,083	2,206,142	31,038,348
April	2,197,721	8,035,762	2,591,426	35,741,708
May	2,245,247	6,326,739	2,752,557	49,233,266
June	2,278,575	6,494,517	2,521,129	38,108,904
July	2,329,260	7,266,267	2,632,236	60,506,237
August	2,388,322	7,973,167	2,834,037	37,657,579
September	3,865,743	7,421,324	2,930,744	67,875,573
October	4,546,581	9,372,600	3,731,777	73,128,059
November	3,770,606	8,768,229	3,187,266	50,273,844
December	3,316,587	8,177,619	3,251,278	45,477,574
Total	32,705,936	89,420,019	33,392,384	558,939,062

1941				
January	2,863,882	6,651,454	3,317,163	41,490,576
February	2,623,799	7,668,529	2,710,999	33,518,097
March	2,604,523	6,911,357	3,214,996	32,075,116
April	3,159,831	9,900,347	3,230,255	54,785,085
May	3,066,553	10,432,686	3,653,258	42,465,700
June	4,198,620	8,499,656	3,980,760	77,190,915
July	3,701,213	8,345,375	3,808,915	50,247,366
August	4,006,314	7,076,081	3,633,332	43,533,345
September	3,617,386	7,115,597	4,015,739	37,556,010
October	4,697,883	10,292,868	4,450,909	55,990,770
November	3,819,442	10,605,099	4,521,012	46,791,671
December	4,177,877	10,233,079	4,819,160	45,421,336
Total	42,537,323	103,732,038	45,346,563	561,116,037

Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
1940			
January	10,233,909	326,850,156	496,748,304
February	9,469,400	264,666,088	426,076,394
March	8,965,490	228,429,789	372,621,325
April	10,254,786	378,937,196	539,541,418
May	12,170,724	524,867,423	709,315,096
June	10,970,448	233,074,253	455,413,680
July	10,907,796	324,313,220	515,742,344
August	11,115,613	211,399,390	383,820,777
September	12,565,251	310,903,056	530,933,263
October	16,509,326	353,976,048	612,116,056
November	13,572,745	327,896,567	544,347,933
December	13,526,238	311,591,374	534,174,961
Total	140,267,276	3,847,415,165	6,118,407,201

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1940 and 1941.
(Concluded)

4. PRAIRIE PROVINCES (Concluded).

Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
1941			
January	11,390,338	250,913,810	448,855,061
February	9,683,327	212,251,379	374,910,072
March	10,502,051	251,271,305	424,559,605
April	12,143,220	303,232,430	515,336,022
May	14,120,762	418,839,135	633,208,597
June	15,062,068	389,686,428	650,324,600
July	13,741,924	407,233,283	622,220,753
August	13,474,216	339,532,698	547,107,736
September	14,007,387	337,282,289	540,134,327
October	15,466,805	403,286,585	648,224,704
November	15,236,470	337,571,744	566,676,625
December	15,855,386	380,165,857	619,466,325
Total	160,689,954	4,011,316,943	6,591,645,027

5. BRITISH COLUMBIA

Year and Month	New West- minster	Vancouver	Victoria	Total for British Columbia	CANADA
	\$	\$	\$	\$	\$
1940					
January	6,913,459	136,232,753	29,337,538	172,533,810	2,674,334,955
February	7,494,203	151,256,380	31,229,714	189,980,297	2,955,217,112
March	6,663,195	126,157,018	29,360,715	162,480,928	2,412,660,476
April	6,705,658	141,707,618	27,950,359	176,363,635	2,938,297,836
May	7,362,262	142,154,301	28,178,824	177,695,387	3,339,595,188
June	7,299,787	126,003,922	32,658,064	165,961,773	2,631,584,968
July	7,547,625	138,651,733	30,395,971	176,595,329	2,622,547,472
August	7,987,776	135,578,949	34,341,980	177,908,705	2,457,706,218
September	8,377,575	128,521,022	31,372,438	168,271,035	2,571,235,762
October	9,673,452	159,331,708	34,139,942	203,195,102	3,526,624,710
November	7,722,602	138,912,629	28,990,160	175,625,391	3,049,322,205
December	8,632,936	148,723,512	33,145,515	190,501,963	3,208,347,577
Total	92,380,530	1,673,281,545	371,451,280	2,137,113,355	34,437,474,479
1941					
January	7,463,561	138,620,693	30,433,276	176,522,530	2,941,104,197
February	7,618,679	138,484,306	27,250,336	173,353,321	2,540,182,412
March	8,361,065	136,735,600	31,536,233	176,682,898	2,838,145,853
April	8,632,770	143,118,872	31,679,501	183,431,143	2,984,165,460
May	8,851,809	143,424,695	30,927,898	183,204,402	3,265,871,770
June	9,041,227	215,081,389	51,134,751	275,257,347	4,240,623,935
July	9,476,256	167,561,087	33,626,436	210,663,779	3,241,706,647
August	9,580,973	164,264,039	39,549,810	213,394,822	3,149,790,606
September	9,565,960	156,478,951	34,887,160	200,932,071	3,300,731,342
October	10,638,274	170,597,324	36,832,126	218,113,224	3,627,176,837
November	10,209,423	164,530,311	32,636,908	207,376,642	3,426,905,305
December	10,535,699	166,173,888	31,497,618	208,207,205	3,686,546,270
Total	110,025,696	1,905,071,855	412,047,033	2,427,144,584	39,242,957,184

TABLE 4. BANK DEBITS IN CANADA AND IN ECONOMIC AREAS FROM 1926 to 1941.

Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
Percentage of Preceding Years to 1941						
1926	77.4	64.3	89.5	65.9	89.3	80.7
1927	92.0	66.7	114.2	80.4	92.9	84.6
1928	110.8	79.2	134.7	95.0	121.5	103.1
1929	118.9	84.8	148.9	101.8	120.2	120.4
1930	95.5	75.3	118.7	82.6	95.3	95.7
1931	80.5	69.4	95.3	73.4	78.9	74.4
1932	65.9	55.2	70.2	61.8	72.8	61.9
1933	76.4	51.1	77.4	71.5	97.3	61.5
1934	83.8	56.8	85.4	81.9	96.1	67.0
1935	80.4	61.0	81.1	76.2	97.8	68.9
1936	91.6	67.0	98.8	86.6	98.7	85.5
1937	89.6	78.0	104.5	87.5	73.2	86.4
1938	78.8	68.0	90.0	75.8	69.4	79.8
1939	80.6	72.3	88.7	74.8	83.1	83.2
1940	87.8	87.6	90.1	84.5	92.8	88.0

TABLE 5. INDEXES OF FIVE ECONOMIC FACTORS, WITH SEASONAL ADJUSTMENT WHERE NECESSARY, 1940 - 1941.

Year and Month	Bank Debits	Physical Volume of Business	Employment in Manufacturing	Wholesale Prices	Common Stocks
1940	1935 - 1939 = 100		1926 = 100	1935-1939 = 100	
January	101.7	113.8	125.0	82.6	90.9
February	121.1	108.6	125.2	82.8	90.2
March	95.4	106.3	124.4	83.2	90.3
April	113.0	120.0	124.7	83.1	88.4
May	112.7	117.8	126.9	82.2	73.3
June	90.9	120.0	127.7	81.6	65.5
July	94.2	120.9	131.4	82.6	66.1
August	96.1	128.6	134.5	82.6	60.3
September	98.4	130.1	139.3	83.0	75.8
October	117.5	129.0	143.3	83.3	74.2
November	100.7	129.7	146.3	83.9	74.5
December	108.7	128.3	152.1	84.2	70.3
Average	104.2	121.1	133.4	82.9	77.4
1941					
January	111.8	130.5	152.9	84.6	71.3
February	104.1	126.1	154.0	85.2	66.5
March	112.3	124.0	161.1	85.9	66.8
April	114.8	127.9	161.0	86.6	65.8
May	110.2	132.0	164.7	88.5	63.9
June	143.3	135.3	169.0	90.0	64.0
July	116.4	138.5	172.9	91.1	67.5
August	123.1	141.2	176.4	91.8	67.8
September	126.3	149.7	179.1	93.2	71.0
October	120.8	139.4	185.9	93.8	69.1
November	113.2	131.7	190.7	94.0	68.8
December	124.9	138.3		93.6	67.2
Average	118.5	134.6		89.9	67.5

TABLE 6. CIRCULATING MEDIA IN HANDS OF PUBLICMillions 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)
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	30.37	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	223.58
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
1940	277.1	91.1	294.1	45.05	39.15	333.25
1941	406.4	81.6	399.7	49.46	42.16	341.86

/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 the formula.

TABLE 7. DEPOSITS IN CANADA, AVERAGE OF MONTHLY DATA

Year	Notice Deposits	Demand Deposits	Dominion Government Deposits	Provincial Government Deposits	Sum of Deposits (M ₁)
1921	1,289.3	551.9	109.4	28.8	1,979.5
1922	1,191.6	502.8	83.7	28.8	1,806.9
1923	1,197.3	523.2	50.6	34.3	1,805.3
1924	1,138.2	511.2	53.9	34.8	1,738.1
1925	1,269.5	531.2	34.5	23.8	1,859.1
1926	1,540.6	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	21.3	2,238.1
1929	1,479.9	696.4	77.8	24.5	2,278.6
1930	1,427.6	622.9	47.7	23.0	2,126.2
1931	1,433.0	578.6	49.0	24.4	2,085.9
1932	1,376.3	486.3	55.6	26.2	1,944.3
1933	1,373.5	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	1,513.2	616.3	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
1940	1,646.9	825.1	163.4	63.6	2,749.0
1941	1,616.1	1,088.2	254.3	67.3	3,025.9

TABLE 8. BANK DEBITS AND VELOCITY OF DEPOSITS AND MONEY.
Millions of Dollars

Year	Bank Clearings	Bank Debits in 32 ³ Centres	Bank Debits adding 12½ p.c. (M ₁ V ₁)	Velocity of Bank Deposits (V ₁)	Velocity of Money or 116.5 p.c. of V ₁ (V)	Bank Debits less five large Centres
1921	17,443.1	28,526.0	32,091.8	16.21	18.89	-
1922	16,227.1	26,567.0	29,887.9	16.54	19.27	-
1923	17,332.6	28,354.0	31,898.3	17.67	20.59	-
1924	17,008.0	27,159.5	30,554.4	16.99	19.80	4,856.3
1925	16,761.5	28,126.1	31,641.8	17.02	19.83	5,095.7
1926	17,715.1	30,358.0	34,152.8	17.54	20.44	5,716.6
1927	20,568.4	36,093.5	40,605.2	19.35	22.90	6,253.1
1928	24,554.9	43,477.0	48,911.6	21.85	25.46	7,579.9
1929	25,105.2	46,670.5	52,504.3	23.04	26.85	8,241.9
1930	20,091.9	37,491.3	42,177.7	19.84	23.12	7,135.4
1931	16,827.6	31,586.5	35,534.8	17.00	19.81	5,751.4
1932	12,914.2	25,844.3	29,074.8	14.95	17.42	4,734.1
1933	14,720.6	29,981.5	33,729.1	17.49	20.38	4,471.6
1934	15,963.6	32,866.7	36,975.0	18.94	22.07	4,725.3
1935	16,927.5	31,546.1	35,489.3	17.07	19.89	5,163.6
1936	19,202.5	35,928.6	40,419.7	18.26	21.27	5,797.1
1937	18,850.4	35,166.1	39,561.8	16.80	19.59	6,312.9
1938	17,263.6	30,924.4	34,810.0	14.41	16.79	6,034.2
1939	17,742.8	31,617.4	35,569.6	13.75	16.02	6,390.8
1940	18,506.0	34,437.5	38,742.2	14.09	16.42	7,500.7
1941	21,730.2	39,243.0	44,148.4	14.54	16.94	8,864.3

TABLE 9. TOTAL PAYMENTS BY CHEQUE AND CASH, MONEY SUPPLY AND NATIONAL INCOME.
Millions of Dollars and Indexes, 1935-39 = 100

Year	Cash Payments (MV)	Cash and Cheque Payments M ₁ V ₁ + MV	Money Supply M ₁ + M	Velocity of Money Supply	National Income In Money Form	Real Income 1935-39 Prices	Index of National Income P T
1921	3,696.8	35,788.6	2,175	16.45	3,735	2,819	92.4
1922	3,393.3	33,281.2	1,983	16.78	3,762	3,101	93.1
1923	3,820.1	35,718.4	1,990	17.95	3,945	3,242	97.6
1924	4,025.9	34,580.3	2,001	17.28	3,854	3,225	95.4
1925	3,368.6	35,610.4	2,059	17.29	4,161	3,450	103.0
1926	4,191.0	38,343.8	2,151	17.83	4,494	3,690	111.2
1927	4,770.1	45,375.3	2,274	19.95	4,682	3,905	115.9
1928	5,452.8	54,364.4	2,452	22.17	5,138	4,264	127.1
1929	5,852.2	58,356.5	2,497	23.37	5,149	4,231	127.4
1930	4,613.6	46,791.3	2,326	20.12	4,326	3,581	107.1
1931	3,639.7	39,174.5	2,274	17.23	3,498	3,206	86.6
1932	3,077.2	32,152.0	2,121	15.16	2,893	2,922	71.6
1933	3,612.8	37,341.9	2,106	17.73	2,795	2,961	69.2
1934	4,052.1	41,027.1	2,136	19.21	3,171	3,313	78.5
1935	3,854.1	39,343.3	2,272	17.32	3,381	3,515	83.7
1936	4,426.3	44,846.0	2,422	18.52	3,829	3,903	94.8
1937	4,477.9	44,039.7	2,583	17.05	4,342	4,291	107.4
1938	3,940.1	38,728.8	2,650	14.61	4,246	4,155	105.1
1939	4,025.5	39,595.1	2,838	13.95	4,409	4,344	109.1
1940	5,472.0	44,210.8	3,082	14.34	4,784	4,530	113.4
1941	6,916.4	51,064.7	4,123(3,367)	13.54	-	-	-

1/ From 1939 to 1940, preliminary and exclusive of assets acquired by the Dominion Government through war expenditures.

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