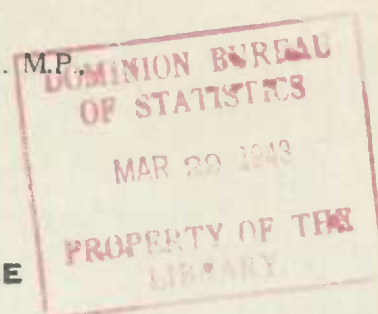


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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
BUSINESS STATISTICS BRANCH



ANNUAL REPORT
OF
BANK DEBITS TO INDIVIDUAL ACCOUNTS
AND
EQUATION OF EXCHANGE
1942



OTTAWA
1943

Price 25 cents

There must be a reduction, and more economical use of paper, envelopes and labour in respect of the free mailing list. This is the last issue of this publication you will receive, unless you desire to have it continued, in which event you must advise this Bureau, and give the reason for such continuation.

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DOMINION BUREAU OF STATISTICS - OTTAWA
BUSINESS STATISTICS BRANCH

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

BANK DEBITS IN 1942

The seasonally adjusted index of bank debits continued its steady upward trend during 1942, broken only by abrupt rises in March and November, when Victory Bond purchases added sharply to the amount of cheques cashed. Final payments on the income tax assessment for the calendar year 1941 contributed to a relatively more pronounced increase in March. The dollar volume of bank debits in the 33 clearing centres for the whole of 1942 amounted to \$45,526 million, a gain of \$6,283 million or 16 p.c. over 1941, and the largest volume recorded for any year, except 1929. When it is recalled that 1941 debits were 14 p.c. greater than in 1940, it is evident that not only has the dollar volume of debits increased sharply, but the rate of increase has itself registered a pronounced advance.

Other economic indicators, moreover, showed increases exceeding that of bank debits. The revised index of the physical volume of business in a year marked by rapid advances, averaged 201.7, a gain of 22 p.c. over 1941. Employment in manufacturing rose nearly 23 p.c. Wholesale prices advanced to a considerably lesser degree and the index of common stock prices, down 3.3 points from 67.5 in 1941, nevertheless showed a strong upward trend during the later part of the year, undoubtedly due to speculation occasioned by war optimism.

All economic areas contributed to the rise in bank debits, increases ranging from 1.9 p.c. in the Prairie Provinces to 17.7 p.c. in Ontario.

Individual clearing centres contributing over a billion dollars to the total were: Montreal, Quebec, Hamilton, Toronto, Ottawa, Winnipeg and Vancouver. The combined total of the three Maritime centres passed the billion dollar mark for the first time, and Montreal crossed the ten billion dollar line, moving into a stratum hitherto occupied only by Toronto. Notable increases were recorded by Ottawa and St. Catharines, rising 89 p.c. and 72 p.c., respectively, while declines were noted in two centres only, debits in Winnipeg receding by 3.4 p.c. and in Chatham by 4 p.c.

II - CANADA'S EQUATION OF EXCHANGE, 1942

Total cheque payments in Canada, estimated at 12.5 p.c. above debits in the 33 clearing centres, were \$51,217 million. Aggregate cash and cheque payments were placed at \$61,765 million, the increase in cash payments over 1941 levels being relatively much the greater. Cheque payments rose by 16 p.c. whereas cash payments were up by more than 40 p.c., accounting for 17 p.c. of the aggregate cash and cheque payments in 1942. The latter showed a rise of about 20 p.c.

Notes and coin in the hands of Canadians averaged about \$589 millions during the year, 34 p.c. more than in 1941, and more than twice as much as in 1929.

TABLE 1. INDEX NUMBERS OF BANK DEBITS IN CANADA BASED ON THE AVERAGE FOR 1925 - 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
1942					
January	112.6	89.5	101.6	112.3	122.8
February	111.5	79.8	102.1	134.4	118.5
March	134.3	127.6	132.2	131.6	135.2
April	120.1	118.4	124.0	130.4	143.6
May	113.3	190.1	96.2	125.4	127.9
June	101.7	100.8	117.1	123.8	127.7
July	119.2	98.8	82.2	141.9	133.0
August	122.3	99.0	83.2	132.0	126.0
September	120.4	101.5	85.4	140.9	134.5
October	123.8	95.1	92.4	149.1	135.7
November	151.5	123.5	135.7	174.3	164.0
December	127.1	115.8	123.3	151.4	142.1

TABLE 2. BANK DEBITS, BANK CLEARINGS AND PERCENTAGE OF BANK DEBITS TO
CLEARINGS BY MONTHS DURING 1941 AND 1942.

Year and Month	Bank Debits	Bank Clearings	Percentage of Bank Debits to Bank Clearings
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	2,984,135,460	1,652,991,682	180.5
May	3,235,371,770	1,934,456,685	168.3
June	4,240,629,935	1,914,148,154	221.6
July	3,241,706,647	1,801,514,111	179.9
August	3,149,720,606	1,759,220,717	179.0
September	3,300,731,342	1,817,325,337	181.3
October	3,327,173,837	2,064,633,378	175.7
November	3,423,905,805	2,015,185,321	170.1
December	3,636,546,270	2,036,983,265	178.6
Total	39,242,957,184	21,730,204,164	180.6
1942			
January	3,230,738,844	1,908,360,342	169.3
February	2,892,863,582	1,575,932,770	183.6
March	4,176,820,029	2,068,610,237	201.9
April	3,733,218,377	2,047,807,939	182.3
May	3,790,963,595	2,174,309,537	174.4
June	3,767,042,291	1,970,568,946	191.2
July	3,704,132,691	2,009,274,393	184.4
August	3,479,744,886	1,932,895,338	180.0
September	3,516,107,197	1,961,499,771	179.3
October	4,073,390,537	2,387,440,706	170.6
November	4,966,558,098	2,433,575,891	203.7
December	4,194,613,475	2,291,851,441	183.0
Total	45,526,254,202	24,767,677,911	183.8

Average demand deposits soared 23 p.c. to pass the billion dollar mark, while notice deposits effected a slight rise to 1940 levels, after a recession in 1941. Government deposits followed closely the average advance for all classes of deposits, which was about 10 p.c.

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 $M.V. + M_1V_1 = PT$. 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 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.

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 $12\frac{1}{2}$ 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.

TABLE 3 BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1941 AND 1942

1. MARITIME PROVINCES

Year and Month	Halifax	Moncton	Saint John	Total for Maritime Provinces
	\$	\$	\$	\$
<u>1941</u>				
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	19,360,124	75,864,669
August	45,460,407	12,729,551	19,848,485	78,038,443
September	44,664,965	13,235,629	20,481,483	78,382,077
October	46,232,347	15,604,442	22,419,965	84,257,755
November	50,127,250	15,124,535	19,918,327	85,170,112
December	51,302,990	15,796,155	22,367,464	89,966,609
Total	532,366,368	154,748,067	253,597,717	940,712,152
<u>1942</u>				
January	40,592,579	14,944,241	21,618,272	77,155,092
February	41,138,547	14,819,382	21,732,901	77,690,830
March	60,348,142	14,739,549	30,111,583	105,549,274
April	47,548,881	14,067,844	23,960,863	85,577,591
May	55,200,205	13,688,423	22,850,501	91,739,129
June	47,520,341	16,018,819	24,077,405	87,616,565
July	48,032,363	14,888,675	22,503,708	85,424,746
August	44,216,215	15,061,615	22,025,859	81,303,689
September	51,992,813	14,332,833	20,723,708	87,579,359
October	53,794,132	16,952,365	26,714,184	97,460,681
November	62,206,007	16,330,409	29,308,705	107,845,121
December	49,073,163	17,741,445	23,930,205	90,794,813
Total	601,963,338	134,135,605	289,607,997	1,075,736,890

2. PROVINCE OF QUEBEC

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
<u>1941</u>				
January	699,934,547	72,355,040	8,934,632	780,324,219
February	650,099,933	76,849,808	7,503,752	714,453,493
March	709,334,920	89,869,916	7,872,194	807,077,030
April	736,691,678	75,604,436	8,920,538	821,216,702
May	813,554,511	95,514,439	10,003,339	924,072,289
June	1,080,267,910	81,465,810	11,830,955	1,173,614,675
July	817,741,230	79,427,930	9,334,296	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	38,688,721	9,733,010	914,137,667
December	978,145,166	98,926,057	10,356,735	1,087,428,008
Total	9,904,907,872	1,050,000,221	113,758,437	11,068,666,580

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 American experience 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 9.

A detailed revision of the national income during the period from the end of the last world war has been carried to the point of 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 as of 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 1941 AND 1942
(Cont'd.)

2. PROVINCE OF QUEBEC (Concluded).

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
1942				
January	341,339,251	33,707,427	9,705,161	384,751,839
February	746,335,440	70,037,435	9,357,756	825,730,631
March	997,534,328	123,744,516	10,649,160	1,131,928,004
April	907,510,519	83,664,086	10,395,622	1,001,570,227
May	952,375,302	91,630,343	10,839,590	1,054,845,235
June	860,203,037	104,529,733	11,233,539	975,966,309
July	944,950,863	136,119,532	10,132,853	1,091,203,248
August	883,330,233	117,182,899	9,557,781	1,010,070,913
September ...	889,037,577	104,738,323	10,302,452	1,004,078,352
October	1,026,073,301	105,585,870	12,492,303	1,144,151,474
November	1,294,534,894	105,625,873	12,840,542	1,412,991,309
December	1,043,140,130	99,515,537	10,244,764	1,152,900,431
Total	11,392,049,905	1,231,242,129	127,801,593	12,751,093,627

3. PROVINCE OF ONTARIO

Year and Month	Brantford	Chatham	Fort William	Hamilton	Kingston
	\$	\$	\$	\$	\$
1941					
January ...	12,253,505	3,300,735	6,634,190	80,833,217	8,200,973
February ..	10,298,633	3,157,032	6,538,949	73,896,019	5,251,117
March	11,508,499	3,358,037	7,413,307	82,265,967	7,197,060
April	12,721,422	9,258,509	8,003,131	81,987,237	7,831,954
May	14,415,463	8,551,256	9,483,192	99,073,149	8,649,573
June	16,419,217	16,542,242	13,230,463	110,696,173	11,194,813
July	13,736,623	10,231,316	11,010,333	90,830,405	8,612,843
August ...	12,830,215	9,459,073	8,648,548	92,203,162	9,232,405
September .	13,614,378	10,304,931	9,438,446	90,391,535	8,884,667
October ..	15,130,636	9,325,002	9,236,524	102,929,353	10,040,535
November ..	14,370,078	12,174,989	9,874,775	97,168,325	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	1,105,193,410	108,513,274
1942					
January ...	14,772,299	11,235,298	9,610,032	103,575,270	10,275,203
February ..	13,673,945	8,894,254	8,444,260	93,015,297	9,037,339
March	19,952,583	11,331,276	11,667,662	118,523,521	12,557,755
April	17,110,159	8,614,279	8,478,305	110,342,208	10,236,793
May	18,622,511	10,936,435	11,257,350	106,497,623	11,353,703
June	16,904,891	9,706,419	10,697,301	100,752,181	11,330,007
July	16,828,621	9,121,379	10,129,920	111,404,960	11,103,824
August ...	15,763,355	8,221,859	9,780,597	106,754,339	9,933,096
September .	15,743,031	7,455,059	8,834,025	101,677,671	10,399,534
October ..	18,314,934	10,432,304	10,133,777	116,305,424	13,130,015
November ..	19,935,632	12,148,966	12,363,720	132,569,718	13,210,744
December ..	20,993,216	11,869,138	10,539,094	109,135,950	13,157,165
Total	208,615,177	119,967,266	122,471,043	1,311,159,162	136,325,283

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1941 AND 1942 (Cont'd.)
3. PROVINCE OF ONTARIO (Cont'd.)

Year and Month	Kitchener	London	Ottawa	Peterborough	St.Catharines
	\$	\$	\$	\$	\$
1941					
January ..	15,343,113	41,323,342	248,616,500	8,326,490	-
February ..	13,649,044	30,308,515	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	39,822,204	215,858,323	9,759,001	16,938,371
June	23,811,833	35,033,097	206,121,167	12,237,133	21,284,727
July	17,006,259	40,631,753	238,313,325	8,974,013	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	234,134,071	9,418,813	15,912,145
October ..	19,411,205	45,273,357	324,997,134	10,774,954	15,744,646
November ..	18,776,914	40,214,048	337,359,207	9,798,525	16,808,743
December ..	21,003,544	44,735,759	342,146,824	11,943,231	19,170,071
Total	218,414,330	497,464,748	3,354,459,483	114,549,341	140,733,366
1942					
January ..	18,515,330	44,443,624	341,651,787	11,725,660	17,535,124
February ..	18,289,940	33,733,212	334,587,455	11,612,739	17,159,709
March	32,863,199	52,031,121	593,104,473	9,469,323	20,922,093
April	21,733,033	44,066,372	500,560,052	11,486,319	19,287,130
May	19,803,425	43,109,096	614,210,791	12,169,992	23,317,319
June	19,848,429	43,223,846	529,143,504	12,011,697	19,022,864
July	19,203,656	43,430,342	513,323,133	11,617,881	20,013,932
August ...	17,139,607	40,441,332	524,126,560	11,264,811	19,474,489
September ..	17,767,148	39,844,359	473,377,004	11,573,350	17,779,035
October ...	20,292,799	42,044,782	602,331,717	13,538,755	22,925,735
November ..	33,850,642	32,564,825	718,748,498	12,070,955	24,295,510
December ..	21,907,360	48,483,645	556,252,461	13,035,125	21,488,337
Total	261,214,568	543,131,606	6,303,952,483	141,311,607	243,221,277
Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
1941					
January ...	9,223,217	7,307,764	960,539,821	54,685,722	1,432,604,924
February ..	5,512,434	6,335,828	773,204,984	53,622,123	1,217,770,707
March	5,628,344	7,204,514	382,661,003	53,597,325	1,358,051,700
April	6,787,044	6,590,722	891,451,793	59,287,991	1,383,858,770
May	9,237,012	8,379,353	925,253,584	66,207,853	1,449,427,413
June	9,986,214	9,423,293	1,357,932,987	76,233,053	2,045,829,420
July	8,711,072	8,997,575	846,309,018	55,644,500	1,423,403,990
August	8,831,584	3,419,663	808,881,874	58,331,808	1,533,087,127
September ..	10,296,775	3,461,508	961,337,341	58,737,340	1,536,169,260
October ..	10,193,996	8,560,350	1,011,984,146	66,405,830	1,630,563,248
November ..	11,000,714	8,443,245	957,022,266	60,967,370	1,603,544,759
December ..	10,362,129	8,669,145	992,942,649	73,048,116	1,681,477,523
Total	105,820,585	96,812,765	11,354,826,471	742,770,161	18,214,733,841

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1941 AND 1942 (Cont'd.)

3. PROVINCE OF ONTARIO (Concluded)

Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
1942					
January ..	9,925,690	3,624,227	844,051,677	71,513,907	1,517,460,133
February .	3,371,634	8,191,877	715,205,524	34,136,924	1,344,264,159
March ...	9,332,421	8,731,676	1,167,083,281	86,045,781	2,154,171,168
April ...	10,732,611	3,308,387	1,052,796,125	71,064,834	1,894,813,607
May	9,972,441	3,555,580	914,733,771	82,359,970	1,886,900,007
June ...	10,644,740	8,559,350	1,009,068,961	81,888,310	1,888,557,500
July ...	10,756,128	8,807,475	867,211,718	78,056,013	1,731,574,037
August ..	11,629,789	8,620,182	804,544,154	81,040,090	1,668,734,310
September.	11,373,333	8,691,067	888,130,612	83,095,785	1,701,246,063
October ..	13,366,036	9,236,652	912,989,788	101,211,312	1,906,969,630
November .	12,809,310	3,208,455	1,248,834,830	86,458,042	2,399,299,397
December .	12,827,802	8,879,153	1,115,941,493	77,560,300	2,042,170,739
Total	132,311,935	104,074,081	11,540,621,984	964,436,773	22,136,164,250

4. PRAIRIE PROVINCES

Year and Month	Brandon	Calgary	Edmonton	Lethbridge
	\$	\$	\$	\$
1941				
January	3,198,649	72,932,174	51,497,700	4,598,830
February	3,237,707	57,448,036	41,641,951	4,076,248
March	3,074,906	63,252,872	47,177,001	4,475,473
April	3,632,635	71,359,344	48,428,979	5,348,396
May	4,576,718	79,544,794	51,052,347	5,481,634
June	5,623,147	99,792,644	60,204,333	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	5,223,427	74,385,074	51,067,791	5,858,127
October	5,799,303	87,313,185	53,983,653	6,942,743
November	5,480,251	79,810,307	55,987,496	6,853,133
December	5,662,068	87,161,317	58,232,852	7,007,943
Total	54,553,907	923,382,346	620,645,790	67,723,576
1942				
January	4,599,497	78,272,465	54,428,851	5,956,641
February	4,739,452	73,464,539	52,320,136	5,444,716
March	5,244,494	86,844,882	60,192,152	5,730,469
April	4,840,549	74,337,662	59,958,311	7,006,264
May	4,949,256	71,799,356	56,796,097	6,015,844
June	5,642,640	77,507,181	53,203,013	6,167,377
July	5,699,060	70,253,270	57,440,971	6,227,616
August	5,832,628	71,327,334	55,837,064	5,948,129
September	6,771,739	67,735,073	53,309,324	6,442,510
October	7,300,722	93,074,771	66,923,079	8,085,348
November	6,780,535	102,197,532	76,856,707	8,110,002
December	6,432,829	80,628,890	72,404,688	7,871,010
Total	68,833,401	948,012,956	725,037,893	79,005,926

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1941 AND 1942. (Cont'd.)

4. PRAIRIE PROVINCES (Cont'd.)

Year and Month	Medicine Hat	Moose Jaw	Prince Albert	Regina
	\$	\$	\$	\$
1941				
January	2,863,882	6,651,454	3,317,168	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	9,000,347	3,230,255	54,785,085
May	3,066,553	10,432,686	3,638,268	42,465,700
June	4,198,620	8,499,636	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	3,638,382	43,583,345
September ...	3,317,386	7,115,597	4,015,739	37,556,010
October	4,627,883	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	45,421,386
Total	42,537,323	103,732,088	45,346,563	561,116,037

1942				
January	3,056,058	8,388,494	4,191,426	42,309,331
February	3,290,113	7,638,682	3,993,458	38,458,471
March	3,588,153	8,515,678	4,767,690	41,371,365
April	3,537,964	8,944,650	3,852,640	36,839,135
May	3,439,760	8,196,973	4,039,315	53,091,359
June	3,070,112	8,994,511	4,611,340	47,685,298
July	3,481,756	9,571,751	4,420,971	64,219,498
August	3,454,291	8,821,787	4,257,446	45,958,029
September ..	4,881,897	9,404,270	4,257,632	57,225,526
October	6,198,317	10,770,758	5,623,942	78,097,788
November	4,877,780	11,231,208	5,515,386	74,820,248
December ...	4,681,139	10,064,684	5,272,740	55,480,963
Total	47,557,340	110,843,446	54,803,983	635,557,561

Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
1941			
January	11,390,838	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	12,148,220	203,232,430	515,996,022
May	14,120,762	418,889,135	633,268,597
June	15,062,068	369,686,428	650,324,600
July	13,741,924	407,233,233	622,220,753
August	13,474,216	339,532,698	547,107,736
September ...	14,007,887	337,282,229	540,134,327
October	15,466,805	403,236,585	648,224,704
November	15,236,470	337,571,744	566,676,625
December	15,855,386	380,165,857	619,466,925
Total	160,689,954	4,011,316,943	6,591,645,027

TABLE 3. BANK DEBITS BY CLEARING CENTRES AND MONTHS, DURING 1941 AND 1942 (Concluded)

PRAIRIE PROVINCES (Concluded)

Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
1942			
January	13,113,598	285,236,363	499,853,274
February	12,058,776	233,917,741	435,326,084
March	13,856,449	299,338,007	529,456,339
April	13,366,883	323,890,872	537,074,731
May	14,223,139	313,919,518	536,470,667
June	13,689,198	365,055,234	585,630,904
July	16,608,241	281,634,858	519,557,992
August	15,823,081	271,569,738	488,949,527
September	14,779,532	271,816,036	501,924,039
October	17,381,594	377,360,065	670,821,384
November	17,949,309	454,585,789	762,924,496
December	16,286,396	304,563,796	654,387,135
Total	179,836,046	3,872,888,067	6,722,376,622

5. BRITISH COLUMBIA

Year and Month	New West- minster	Vancouver	Victoria	Total for British Columbia	CANADA
	\$	\$	\$	\$	\$
1941					
January	7,463,561	133,620,693	30,423,276	176,522,530	2,941,104,197
February ..	7,618,679	133,484,506	27,250,336	173,353,521	2,540,182,412
March	8,361,065	136,735,600	31,566,233	176,682,898	2,833,145,353
April	3,632,770	143,118,372	31,679,501	163,431,143	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	215,081,369	51,134,731	275,257,347	4,240,629,935
July	9,176,256	167,561,087	33,626,436	210,363,779	3,241,706,647
August ...	9,530,973	164,264,039	39,549,810	213,394,822	3,149,790,606
September ..	9,565,960	156,472,951	34,887,160	200,932,071	3,300,731,342
October ..	10,628,274	170,597,824	36,832,126	218,118,224	3,627,176,387
November ..	10,209,423	164,520,311	32,636,908	207,376,642	3,426,905,805
December ..	10,535,699	166,173,888	31,497,618	208,207,205	3,636,546,270
Total	110,025,696	1,905,071,855	412,047,033	2,427,144,584	39,242,957,184

1942					
January	9,670,117	154,505,400	32,362,389	196,538,506	3,230,788,844
February ..	10,010,004	163,213,035	31,448,839	209,771,873	2,892,863,582
March	11,297,599	211,239,915	33,157,730	255,695,244	4,176,830,029
April	10,922,441	172,358,382	30,898,998	214,179,821	3,733,213,977
May	11,073,376	176,756,624	32,567,557	220,398,057	3,790,963,595
June	11,275,369	176,347,634	41,647,910	229,270,933	3,767,042,291
July	11,361,750	186,286,651	73,704,267	276,372,663	3,704,132,691
August ...	10,603,614	176,995,101	37,827,732	225,626,447	3,479,744,886
September ..	11,330,325	171,492,333	38,376,076	221,199,334	3,516,107,197
October ...	13,725,745	198,783,246	41,473,377	253,982,368	4,073,390,537
November ..	13,448,263	225,049,439	44,989,568	283,487,270	4,966,558,098
December ..	12,191,767	204,040,551	37,127,969	254,360,287	4,194,613,475
Total	138,131,430	2,222,168,311	480,583,012	2,840,882,813	45,526,254,202

TABLE 4. BANK DEBITS IN CANADA AND IN ECONOMIC AREAS FROM 1926 TO 1942

Year	CANADA	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
Percentage of Preceding Years to 1942						
1926	66.7	56.2	77.7	54.2	87.6	69.0
1927	79.3	53.4	99.2	66.1	91.1	72.3
1928	95.5	69.3	117.0	78.2	119.1	88.1
1929	102.5	74.2	129.3	83.8	117.9	102.9
1930	82.4	65.9	103.0	68.0	93.4	81.8
1931	69.4	60.7	82.7	60.4	77.4	63.6
1932	56.8	48.3	60.9	50.9	71.4	52.9
1933	65.9	44.7	67.2	58.9	95.4	52.5
1934	72.2	50.0	74.1	67.4	94.3	57.2
1935	69.3	53.4	70.4	62.7	95.9	58.9
1936	73.9	53.6	85.8	71.3	96.8	73.1
1937	77.2	68.2	90.7	72.0	71.8	73.9
1938	67.9	59.5	78.2	62.4	68.0	68.2
1939	69.4	63.2	77.0	61.5	81.5	71.1
1940	75.6	73.6	78.2	69.5	91.0	75.2
1941	86.2	87.5	86.8	82.3	98.1	85.4

TABLE 5. INDEXES OF FIVE ECONOMIC FACTORS, WITH SEASONAL ADJUSTMENT WHERE NECESSARY
1941 - 1942

Year and Month	Bank Debits	Physical Volume of Business	Employment in Manufacturing	Wholesale Prices	Common Stocks
	1935-1939 = 100		1926 = 100		1935-1939=100
1941					
January	111.8	144.1	152.1	84.6	71.3
February	104.1	144.9	152.9	85.2	66.5
March	112.3	144.5	154.0	85.9	66.8
April	114.8	153.0	161.1	86.6	65.8
May	110.2	156.4	161.0	88.5	63.9
June	143.8	163.8	164.7	90.0	64.0
July	116.4	166.6	169.0	91.1	67.5
August	123.1	172.4	172.9	91.8	67.8
September	126.3	177.6	176.4	93.2	71.0
October	120.8	178.7	172.1	93.8	69.1
November	113.2	183.7	185.9	94.0	68.8
December	124.9	193.9	190.7	93.6	67.2
Average	118.5	165.0	168.3	90.0	67.5
1942					
January	122.3	192.3	200.2	94.3	66.8
February	113.5	192.9	199.0	94.6	64.7
March	165.2	189.3	199.9	95.1	62.3
April	143.6	198.1	200.8	95.0	61.1
May	127.9	195.5	200.5	95.2	62.0
June	127.7	200.0	201.3	95.8	62.3
July	133.0	203.7	205.2	96.1	62.4
August	136.0	205.7	207.6	95.6	61.6
September	134.5	206.1	209.5	96.0	62.6
October	135.7	207.2	211.3	96.8	65.0
November	134.0	207.8	213.4	97.1	67.6
December	142.1	221.2	224.4	97.2	71.3
Average	137.6	201.7	206.4	95.7	64.2

TABLE 6. 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	Circulating Media in Hands of Public (M)
1922	....	240.4	166.5	151.7	30.19	24.39	176.09
1923	....	240.3	170.4	160.1	30.23	24.43	184.53
1924	....	228.0	136.1	179.0	30.13	24.33	205.33
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	....	184.3	172.1	184.1	30.00	24.20	208.30
1928	....	201.2	173.7	189.0	30.07	25.17	214.17
1929	....	204.4	176.3	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	187.73
1932	....	165.9	132.2	149.1	33.35	27.55	176.35
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	203.10
1937	....	141.1	110.3	193.1	35.29	29.49	223.59
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	398.9	49.46	42.16	441.06
1942	....	572.3	71.7	541.5	54.43	47.41	588.91

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 (Ml)
1922	.....	1,191.6	502.8	33.7	28.8	1,806.9
1923	.....	1,197.3	523.2	50.6	24.3	1,805.3
1924	.....	1,198.2	511.2	53.9	24.3	1,798.1
1925	.....	1,269.5	531.2	24.5	23.8	1,859.1
1926	.....	1,240.6	553.3	21.3	21.3	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	77.3	24.5	2,278.6
1930	.....	1,427.6	622.9	47.7	28.0	2,123.2
1931	.....	1,438.0	578.6	49.0	24.4	2,090.9
1932	.....	1,376.3	486.3	55.6	26.2	1,944.3
1933	.....	1,378.5	488.5	38.3	23.2	1,929.0
1934	.....	1,372.3	514.0	35.1	30.3	1,952.6
1935	.....	1,445.3	538.6	25.5	39.3	2,078.7
1936	.....	1,518.2	618.3	27.8	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
1942	.....	1,644.8	1,341.5	267.2	79.4	3,333.0

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

Year	Bank Clearings	Bank Debits in 32 Centres ^x	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
1922	16,227.1	26,567.0	29,887.9	16.54	19.27	-
1923	17,332.8	28,354.0	31,898.3	17.67	20.59	-
1924	17,008.0	27,159.5	30,554.4	16.99	19.80	4,836.3
1925	16,761.5	28,126.1	31,341.8	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	20,538.4	36,093.5	40,605.2	19.65	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	29,381.5	33,729.1	17.49	20.33	4,471.6
1934	15,963.3	32,866.7	36,975.0	18.94	22.07	4,725.3
1935	16,927.5	31,546.1	35,439.3	17.07	19.89	5,169.6
1936	19,202.5	35,928.6	40,413.7	18.26	21.27	5,797.1
1937	13,350.4	35,136.1	39,531.8	16.80	19.59	6,312.9
1938	17,283.6	30,924.4	34,810.0	14.41	16.79	6,084.2
1939	17,742.3	31,317.4	35,569.6	13.75	16.02	6,390.3
1940	13,506.0	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	8,364.3
1942	24,767.7	45,526.3	51,217.1	15.37	17.91	10,191.6

TABLE 9. TOTAL PAYMENTS BY CHEQUE AND CASH, MONEY SUPPLY AND REVISED 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
1922	3,333.3	33,231.2	1,983	16.78	3,672	3,050	90.0
1923	3,820.1	35,718.4	1,990	17.95	3,848	3,138	94.3
1924	4,025.9	34,580.3	2,001	17.28	3,867	3,255	94.8
1925	3,938.6	35,610.4	2,059	17.29	4,240	3,539	103.9
1926	4,191.0	38,343.8	2,151	17.33	4,509	3,702	110.5
1927	4,770.1	45,375.3	2,274	19.95	4,740	3,953	116.2
1928	5,452.8	54,364.4	2,452	22.17	5,271	4,374	129.2
1929	5,352.2	58,356.5	2,437	23.37	5,274	4,334	129.2
1930	4,613.6	46,791.3	2,326	20.12	4,454	3,687	109.1
1931	3,639.7	39,174.5	2,274	17.23	3,581	3,232	87.3
1932	3,077.2	32,152.0	2,121	15.16	2,814	2,343	69.0
1933	3,612.8	37,341.9	2,103	17.73	2,724	2,885	66.7
1934	4,052.1	41,927.1	2,136	19.21	3,149	3,293	77.2
1935	3,854.1	39,343.3	2,272	17.32	3,373	3,506	82.7
1936	4,426.3	44,846.0	2,422	18.52	3,829	3,903	93.8
1937	4,477.9	44,039.7	2,583	17.05	4,343	4,296	106.6
1938	3,940.1	38,728.8	2,650	14.61	4,283	4,191	105.0
1939	4,025.5	39,595.1	2,836	13.95	4,570	4,502	112.0
1940	5,472.0	44,210.8	3,032	14.34	5,385	5,099	132.0
1941	7,471.6	51,620.0	3,467	14.89	6,514	5,832	159.6
1942	10,547.4	61,764.5	3,922	15.75	7,500	6,410	133.8

^x Thirty-three centres since May, 1941.

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