

grocery and meat stores rose 23 p.c. in the same comparison. An increase of 14 p.c. in retail clothing prices was accompanied by gains of 43 p.c. and 41 p.c. in dollar sales of men's and women's clothing stores, respectively.

Dollar sales of wholesale merchants in the first four months of 1941 exceeded the total for the same period of 1939 by 37 p.c. This increase was considerably greater than that recorded by retail dealers. Greater dollar returns from wholesale commerce were general in all trades and in the five economic areas. The automotive equipment and the hardware trades recorded the largest gains amounting to 63 p.c. and 66 p.c. each. The increases recorded in dollar sales in the wholesale-grocery and dry-goods trades, amounting to 30 p.c. and 45 p.c., respectively, were partly due to higher wholesale prices, which, in the early part of 1941, increased about 17 p.c. over 1939. The gain in the actual volume of wholesale transactions in these important fields, as distinct from price rises, was therefore considered to have been pronounced over the same period of 1939.

External Trade.—The export of merchandise (excluding gold) in the first four months of 1941 was \$410,900,000 against \$250,100,000 in the same period of 1939, a gain of 64 p.c. As imports were \$402,300,000 compared with \$184,400,000 in the same comparison, the excess of exports over imports was greatly reduced from the standing two years ago. The loss of export markets on the continent of Europe during the first year of war was more than offset by expansion in the purchases by other countries. The great growth in external trade during the current period has been a war-time phenomenon. The war has created an urgent but temporary demand from abroad for Canada's metals and manufactured goods, while large quantities of commodities required in the war effort have to be imported.

Banking.—The notice deposits of the chartered banks attained a new maximum in the spring of 1941, reflecting the accumulation of funds in preparation for the purchase of the Victory Loan, offered during June. The amount at the end of April was \$1,707,600,000, a gain of more than \$36,000,000 over the same date one year ago. Commercial loans on Apr. 30 had reached \$1,012,200,000. The strong liquid position of the banks in recent years, buttressed by the operations of the Bank of Canada, has facilitated the expansion of credit required in connection with the war effort.

The public note circulation (denoted by chartered bank and Bank of Canada notes outstanding other than the holdings of the chartered banks) has shown a steady increase since 1932. The total on Apr. 30 was \$362,000,000 contrasting with an average of \$294,000,000 in 1940. The total money supply including deposits averaged \$3,082,000,000 in 1939—the maximum attained in the banking history of Canada.

Norwithstanding the inactivity in speculative exchanges, cash and cheque payments were estimated at \$44,211,000,000 in 1940, a higher level than in any of the preceding nine years with the single exception of 1936. The total during April was estimated at \$3,908,000,000, as against \$3,737,000,000 in the same month of 1940. The expansion in banking operations was a counterpart of the acceleration of the war effort implying advances in commodity prices and in the volume of production.

Business Index.—The outstanding economic development of recent months has been the spectacular advance in business operations. The index of the physical volume of business averaged 126·9 during the first four months of 1941 as against