

A marked increase in men's clothing sales forms an outstanding feature of the retail trade of Canada in the first part of the current year. Sales of stores specializing in men's clothing or furnishings averaged 20 p.c. higher in 1941 than in 1940. Anticipation of restrictions, especially on styles of men's clothing in the spring of 1942, produced a marked increase in purchasing with the result that sales of men's specialty stores averaged 35 p.c. higher for the first four months of this year over last.

Sales of new passenger cars numbered 83,650 in 1941 and were valued at \$108,907,312, down 18 p.c. in number and 5 p.c. in value compared with the preceding year. Stoppage of production for civilian purposes in 1942 has resulted in the virtual disappearance of this phase of retail trade. February sales were down 60 p.c. compared with the corresponding month of 1941, March sales were down 80 p.c. while April sales were only 10 p.c. of those in April, 1941.

**External Trade.**—A recent change in government policy has been made whereby it will be impossible to publish any statistics of external trade in future years of the War. Later figures than those that appear in Chapter XVI cannot, therefore, be given.

**Banking.**—The close relationship of economic functions was shown by the expansion in banking activities during the last twelve months. Total assets, one of the best measures of financial operations, rose from \$4,019,000,000 to \$4,320,000,000 in the year ended April, 1942. The demand for current loans showed improvement, resulting in a total of \$1,156,000,000 against \$1,012,000,000 one year before. The strong liquid position of the chartered banks despite ample assistance in financing productive enterprise is characteristic of the present war period.

Cheques cashed in the clearing centres amounted to \$14,034,000,000 against \$11,304,000,000 in the first four months of 1941, the result having been affected by heavy payments on the second Victory Loan. Circulating media in the hands of the public consisting of bank notes and subsidiary coin was \$530,000,000 on Apr. 1, against \$408,000,000 on the same date last year. The sum of the four classes of deposits was \$3,305,000,000 against \$2,972,000,000 on Apr. 1, 1941. The money supply, including circulating media in the hands of the public and the deposit liabilities of banks, was \$3,835,000,000 in April against \$3,381,000,000 a year before.

**The Business Index.**—The most comprehensive measure of the fluctuation in productive operations on a monthly basis is the index of the physical volume of business. The index is a weighted average of 57 components constituting a considerable sample of the productive and distributive activities. The average for the first four months of 1942 was 137.9 against 99.3 in the same period of 1939, representing a considerable expansion in general operations for the period. The index for the early months of 1940 was approximately equal to the peak reached in 1929. Subsequently, the marked advance resulted in a much higher level than at any other time in history.

MONTHLY INDEX OF PHYSICAL VOLUME OF BUSINESS, 1938 TO JUNE, 1942  
(1935-39=100)

Month	1938	1939	1940	1941	1942	Month	1938	1939	1940	1941	1942
January	97.6	98.7	113.8	131.1	140.6	August	96.5	109.3	128.6	141.5	-
February	93.2	97.6	108.6	127.5	134.3	September	104.1	109.9	130.1	148.9	-
March	95.0	98.9	106.3	125.5	136.2	October	103.6	116.2	129.0	139.1	-
April	98.2	101.9	120.0	130.7	140.4	November	107.8	116.2	129.7	132.0	-
May	96.7	106.0	117.8	134.2	131.8	December	101.0	116.4	128.3	141.3	-
June	94.7	106.0	120.0	137.1	133.7						
July	95.3	105.2	120.9	138.0	-	Averages	98.6	101.9	121.1	135.6	-