

Questions

deposits held by corporations and others which have varying maturities and carry substantial interest rates and finally at the end of this spectrum, open market paper issued by the banks which is payable to bearer. These different types of claims on banks are held by various classes of holders to meet different kinds of needs. Because of this fact, different classes of deposits are relevant to the consideration of different aspects of economic and financial developments.

The trends of the various types of chartered banks' deposit liabilities are also affected by changes in the conditions and degree of competition for funds between banks and other financial institutions. Variation due to changes of this nature would be removed in money supply series defined to include not only claims on banks but also liquid claims on financial institutions such as trust and loan companies or Caisses Populaires and credit unions.

Apart from deposits and other very liquid claims denominated in Canadian dollars, Canadians also hold a considerable volume of liquid assets payable in foreign cur-

rency which from some points of view are part of money supply. The most important of these are the chartered banks' "swapped" deposits denominated in a foreign currency for which the payment at maturity in Canadian dollars is covered by a forward exchange contract and which are therefore closely equivalent to the banks' term deposits in Canadian dollars.

The following money supply measures can be calculated from data which become available on an up-to-date basis and include those measures most commonly used at the present time.

A. Coin and Bank of Canada notes in the hands of the public plus Canadian dollar demand deposits at the chartered banks.

B. As in A above, plus all other Canadian dollar deposits at the chartered banks.

C. As in B above, but excluding deposits of the government of Canada.

D. As in C above, plus "swapped" foreign currency deposits at the chartered banks.

The figures requested are given below on each of these definitions.

(Monthly averages of Wednesday figures)

	\$ millions				Per cent			
	A	B	C	D	A	B	C	D
<i>Change from:</i>								
Dec. 1962 to Dec. 1963..	219	1,380	959	1,018	3.6	8.9	6.4	6.6
Dec. 1963 to Dec. 1964..	398	978	1,116	1,428	6.3	5.8	7.3	8.7
Dec. 1964 to Dec. 1965..	436	2,129	2,042	1,850	6.5	11.9	12.0	10.4
Dec. 1965 to Dec. 1966..	559	1,328	1,235	1,489	7.8	6.6	6.5	7.6
Dec. 1966 to Oct. 1967..	543	2,608	3,433	3,316	7.1	12.2	16.9	15.7

	\$ millions			
	A	B	C	D
<i>Absolute level in:</i>				
Dec. 1963.....	6,296	16,861	15,867	16,340
Oct. 1967.....	8,233	23,904	23,743	24,423