

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, JANUARY, 1944.

Cheques cashed in the clearing centres rose 15.7 p.c. in the first month of the year over January, 1943. The total was \$4,512 million compared with nearly \$3,900 million in the same month last year. The higher level of economic activity and a slight advance in wholesale prices was mainly instrumental in raising the amount of cheque payments.

Increases were shown in each of the five economic areas, the advances in the western provinces being of greater proportions than in the East. The total for the Maritime Provinces was \$96.8 million against \$83.8 million, a gain of 15.5 p.c. Active business conditions in the Montreal district were indicated by a considerable increase in bank debits, the total rising from \$1,025 million to \$1,199 million. The total for the Province of Quebec rose 16.4 p.c., the payments in January having been \$1,347 million. Ten of the fourteen centres in Ontario recorded advances, the aggregate having been 3.8 p.c. greater. The total for January was \$1,947 million. A total of \$1,098 million was recorded in Toronto while the increase in Ottawa was from \$437 million to \$486 million.

Each of the ten centres in the three Prairie Provinces recorded gains in January. The total was \$812 million, a gain of nearly 49 p.c. The rise in Winnipeg was from \$316 million to \$471 million. British Columbia made an excellent showing in this connection, the total having been \$310 million against \$238 million in January last year, an increase of 30.5 p.c. Gains were shown in each of the three clearing centres, the total for Vancouver rising from \$193 million to \$260 million.

Comparison with December after Seasonal Adjustment.

After seasonal adjustment, debits in January were 20.8 p.c. above the preceding month. Gains were general in the five economic areas in this comparison. The increase in the Maritime Provinces after the usual adjustment was 13.6 p.c. A gain of 26.3 p.c. was recorded in Montreal, while the aggregate in the Province of Quebec was 29.3 p.c. greater. After seasonal adjustment, cheques cashed in Winnipeg recorded a gain of 36 p.c., the total in January having been \$471 million.

Advances of 25.4 p.c. and 24.6 p.c. were shown in Vancouver and in the aggregate for British Columbia in the same comparison. The amount of cheques cashed in January is normally considerably less than in the preceding month. While the actual amounts shown for January in the present case were lower than in December, it is found that after seasonal adjustment the advances were fairly general.

Comparison with other Factors.

Estimating the grand total of cheques cashed in Canada by adding $12\frac{1}{2}$ p.c. to reported totals in the 33 clearing centres, the indicated amount in January was \$5,077 million compared with \$4,387 million in the same month last year. Total deposits at the beginning of the month were \$4,395 million, an increase of about 20 p.c. over the same date twelve months before. Dividing the amount of cheques cashed by the deposits, we find that the turnover in January was 1.16 times compared with 1.20 times one year ago.

The circulating media in the hands of the public rose from \$681.5 million in January, 1943 to \$849 million in the month under review. A considerable gain was shown in the notes in the hands of the public as well as in the subsidiary coin in circulation. Adding the circulating media in the hands of the public and the four main classes of bank deposits, the money supply amounted to \$5,244 million compared with \$4,334 million in January one year ago.

Cheques cashed against current accounts amounted to \$4,337 million in January compared with \$4,664 million in the preceding month, while cheques cashed against savings accounts declined from \$186.5 million to \$175.1 million. Each of the four classes of deposits showed marked advances during the twelve months. Notice deposits rose from \$1,673 million to \$1,948 million while Dominion deposits were \$662 million against \$417 million.

The advance in the amount of cheques cashed against individual accounts was not an isolated phenomenon in January. The index of bank debits rose from 148.3 to 171.6 during the twelve months. Marked gains were shown in the index of the physical volume of business while significant increases occurred in employment in manufacturing plants and in wholesale prices. The index of the cost of living in January was 119.0 against 117.1 in the same month last year. The index of common stock prices rose about 7 p.c. in the same comparison.

FEB 23 1944

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Table 1. - CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES IN CANADA, JANUARY, 1944, WITH COMPARATIVE FIGURES FOR JANUARY, 1943 AND DECEMBER, 1943.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS			
Province and Clearing House Centres	January, 1944	December, 1943	January, 1943
	\$	\$	\$
<u>Maritime Provinces -</u>			
Halifax	52,319,571	56,564,740	45,087,271
Moncton	17,414,295	20,127,674	14,622,199
Saint John	27,115,986	30,285,440	24,132,864
Total - Maritime Provinces	96,849,852	106,977,854	83,842,334
<u>Quebec -</u>			
Montreal	1,199,389,770	1,213,110,314	1,025,345,069
Quebec	137,078,048	148,388,924	122,182,961
Sherbrooke	10,298,483	11,760,415	9,591,914
Total - Quebec	1,346,766,301	1,373,259,653	1,157,119,944
<u>Ontario -</u>			
Brantford	11,666,673	19,975,173	17,237,114
Chatham	13,442,663	12,451,246	11,014,966
Fort William	10,977,364	15,088,772	8,205,611
Hamilton	99,097,794	118,949,223	110,927,528
Kingston	14,437,943	13,602,134	12,745,014
Kitchener	23,605,308	24,286,471	20,640,197
London	52,335,360	53,972,424	47,794,236
Ottawa	485,988,273	519,414,698	436,998,472
Peterborough	12,325,118	13,419,857	11,362,633
St. Catharines	18,781,683	24,693,535	19,197,079
Sarnia	13,383,118	13,866,019	10,617,711
Sudbury	8,487,244	9,428,331	8,035,726
Toronto	1,097,741,433	1,224,198,139	1,069,218,113
Windsor	84,379,697	97,072,712	91,072,758
Total - Ontario	1,946,649,671	2,160,418,734	1,875,067,158
<u>Prairie Provinces -</u>			
Brandon	6,183,102	7,263,011	5,232,814
Calgary	118,913,544	121,865,920	75,855,790
Edmonton	91,353,618	96,853,370	62,723,346
Lethbridge	8,684,578	9,451,985	6,497,542
Medicine Hat	5,596,104	5,380,152	4,258,883
Moos Jaw	14,006,545	14,347,486	11,910,859
Prince Albert	6,229,947	6,259,070	3,944,129
Regina	68,924,227	75,893,509	45,105,826
Saskatoon	20,648,869	21,412,912	14,507,825
Winnipeg	471,274,737	569,356,741	315,671,259
Total - Prairie Provinces	811,815,271	928,084,156	545,708,273
<u>British Columbia -</u>			
New Westminster	13,462,554	15,936,833	9,647,273
Vancouver	260,084,129	224,344,564	192,555,724
Victoria	36,846,143	41,406,118	35,687,652
Total - British Columbia	310,392,826	281,687,515	237,890,649
GRAND TOTAL FOR CANADA	4,512,473,921	4,850,427,912	3,899,628,358

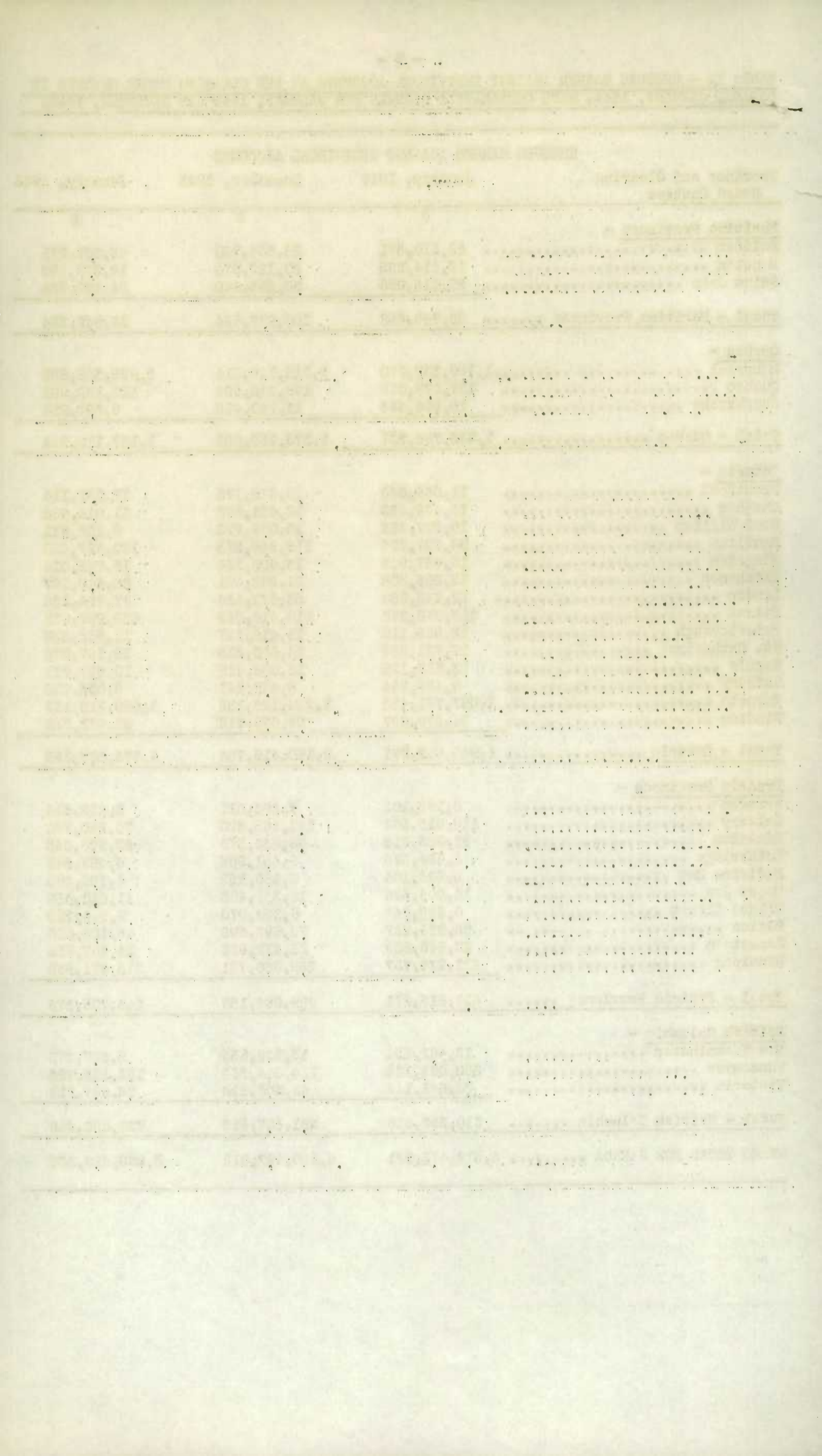


Table 2. - CHEQUES CASHED BY TYPE OF ACCOUNT AND BY ECONOMIC AREAS.

ECONOMIC AREAS	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	January, 1944	December, 1943	January, 1944	December, 1943
Maritime Provinces	92,956,806	102,767,472	3,893,046	4,210,382
Quebec	1,289,755,700	1,308,705,282	57,010,601	64,554,371
Ontario	1,867,937,255	2,079,735,766	78,712,416	80,682,968
Prairie Provinces	793,327,481	909,334,463	18,287,730	18,749,693
British Columbia	293,171,436	263,353,489	17,221,390	18,334,026
GRAND TOTAL FOR CANADA	4,337,348,678	4,663,896,472	175,125,243	186,531,440
CUMULATIVE TOTALS	January, 1944	January, 1943	Increase (+) Decrease (-)	Percentage of 1944 to 1943
	\$	\$	\$	%
Maritime Provinces	96,849,852	83,842,334	+ 13,007,518	115.5
Quebec	1,346,766,301	1,157,119,944	+ 189,646,357	116.4
Ontario	1,946,649,671	1,875,067,158	+ 71,582,513	103.8
Prairie Provinces	811,815,271	545,708,273	+ 266,106,998	148.8
British Columbia	310,392,826	237,890,649	+ 72,502,177	130.5
GRAND TOTAL FOR CANADA	4,512,473,921	3,899,628,358	+ 612,845,563	115.7

Table 3. - RELATION OF CHEQUES CASHED TO OTHER FACTORS.

SEASONALLY ADJUSTED ECONOMIC INDEXES	1943							1944
	Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Bank Debits 1935-39=100	148.3	158.2	157.1	171.6	155.0	195.4	164.3	171.6
Physical Volume of Business	225.8	236.3	241.0	236.7	239.5	242.9	248.8	"
Common Stocks 1935-39=100	76.3	91.0	88.9	89.3	86.4	79.6	80.5	"
Cost of Living	117.1	118.8	119.2	119.4	119.3	119.4	119.3	119.0
Employment in manufactur- ing 1926=100	224.4	221.8	222.6	223.4	223.9	228.5	233.8	"
Wholesale Prices 1926=100	97.1	100.1	100.4	101.2	101.9	102.4	102.5	"
CIRCULATING MEDIA								
Millions of Dollars								
Bank of Canada notes	693.6	758.4	776.1	796.7	815.1	833.6	844.4	874.4
Circulation of Bank Notes	61.9	49.8	48.5	47.4	46.8	45.8	44.4	43.1
Total Notes in Hands of Public	632.8	693.6	718.6	724.8	746.7	767.3	760.8	793.7
Subsidiary Coin in Hands of Public	48.7	52.0	53.3	53.4	54.1	55.5	55.6	55.5
Circulating Media in Hands of Public (m)	681.5	745.6	771.9	778.2	800.8	822.8	816.4	849.2
EQUATION OF EXCHANGE								
Notice Deposits	1,673.2	1,782.1	1,825.8	1,915.7	1,988.9	1,961.2	1,882.5	1,947.8
Demand Deposits	1,499.3	1,539.0	1,476.1	1,652.7	1,767.7	1,826.8	1,619.2	1,696.8
Dominion Government Deposits	416.5	686.4	555.4	578.6	220.9	206.2	866.8	661.6
Provincial Government Deposits	68.2	93.3	101.9	100.7	107.8	113.0	85.6	88.5
Total Deposits (M1) (1)	3,657.3	4,100.9	3,959.1	3,977.7	4,085.3	4,107.1	4,454.2	4,394.6
Ratio of Bank Debits to Deposits P.C.	106.6	107.4	101.5	112.8	113.9	144.0	108.9	102.7
Bank Debits + 12½ P.C. (M1V1)	4,387	4,957	4,523	5,046	5,236	6,653	5,457	5,077
Velocity of Bank Deposits (V1)	1.20	1.21	1.14	1.27	1.28	1.62	1.23	1.16
Bank Debits less 5 large centres	860.	953.	889.	917.	1,032.	1,270.	1,100.	880
Cash Payments (MV) ..	953.	1,051.	1,025.	1,152.	1,194.	1,553.	1,170.	1,147.
Cash and Cheque Payments (M1V1 + MV)	5,340.	6,008.	5,548.	6,198.	6,430.	8,206.	6,627.	6,224.
Index of Cash and Cheque Payments	155.1	174.5	161.1	180.0	186.8	238.4	192.5	180.8
Money Supply (M1 + M)	4,334.	4,847.	4,731.	4,756.	4,886	4,930	5,271	5,244

(1) First of Month.

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