

CHEQUES CASHED IN CLEARING CENTRES OF CANADA, DECEMBER, 1944

The cheques cashed at branch banks in thirty-three centres were \$60,677 million during 1944. As the standing during the preceding year was \$53,797 million, an increase of 12.8 p.c. or \$6,880 million was shown over the preceding year. Due to the record levels of economic activity and relatively high prices, the amount of cheques cashed in clearing centres was greater in 1944 than in any other year. In 1929, the culmination of the last prosperity period, the cheques cashed amounted to slightly less than \$47 billion, the increase over that year having been no less than 30 p.c.

Each of the five economic areas recorded considerable increase over 1943. The gain in the Maritime Provinces was 6.7 p.c., the amount having been \$1,328 million against \$1,244 million. The increase in the province of Quebec was from \$15.4 billion to \$17.2 billion, amounting to 12 p.c. The increase in Ontario was 9 p.c. over the high level of the preceding year. The gain was \$2.2. billion, resulting in a total of \$26.9 billion in the year under review. The greatest increase among the five economic areas was shown in the Prairie Provinces where the gain was 24.9 p.c. or \$2,288 million. Cheques cashed in 1944 amounted to \$11,488 million against \$9,200 million. The increase in British Columbia was 13.3 p.c., resulting in a total of \$3,736 million.

Comparison with December, 1943

Cheques cashed in December were \$5,063 million compared with \$4,850 million in the same month of the preceding year. The gain during the twelve months consequently was 4.4 p.c. Each of the five economic areas, except the Prairie Provinces, recorded a gain in this comparison. The increase in the Maritime Provinces was 12.6 p.c., the advance having been from \$107 million to \$120.5 million. The increase in Quebec was from \$1,373 million to \$1,472 million. Advances were shown in Montreal and Sherbrooke, the net result being an increase of 7.2 p.c. in the provincial total. The total for Toronto was \$1,337 million in December against \$1,224 million in the same month of 1943. The provincial total for Ontario rose 5.1 p.c. to \$2,269 million. The total for the three Prairie Provinces was at a slightly lower position, the amount dropping from \$928 million to \$916 million. The increase in British Columbia was 1.2 p.c., the total in December having been \$285 million.

Equation of Exchange

The money supply on the latest available date was \$6,213 million against \$5,352 million twelve months before; an increase of 16 p.c. A somewhat similar percentage increase was shown in bank deposits subject to cheque, the gain having been from \$4,536 million to \$5,252 million. The circulating media in the hands of the public, consisting of notes and subsidiary coin, showed a gain of nearly 18 p.c., the total having been \$961.6 million against \$815.6 million.

Cash and cheque payments in the latest month for which statistics are available were placed at \$9,361 million against \$8,339 million. The cheque payments were estimated at \$7,692 while the cash payments were placed at \$1,669 million. An allowance of 12½ p.c. is made for cheques cashed outside of clearing centres and estimated debits against accounts (except accounts of other banks) with the Bank of Canada. The velocity of circulating media, consisting of notes and coin, is assumed to be 16½ p.c. greater than the velocity of bank deposits.

An index of bank debits on the base of 1935 - 39 = 100, rose considerably in the latest months for which statistics are available over the same month of 1943. The index of the physical volume of business and of employment in manufacturing showed recession. The index of common stock prices rose from 79.6 to 86.0 and the index of wholesale prices remained unchanged at 102.4.

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

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS

Province and Clearing House Centres	DECEMBER, 1944 \$	NOVEMBER, 1944 \$	DECEMBER, 1943 \$
<u>Maritime Provinces -</u>			
Halifax	62,146,544	86,523,865	56,564,740
Moncton	22,118,297	24,936,488	20,127,674
Saint John	36,221,858	44,718,414	30,285,440
Total - Maritime Provinces	120,486,699	156,178,767	106,977,854
<u>Quebec -</u>			
Montreal	1,314,345,375	1,712,508,135	1,213,110,314
Quebec	144,125,455	182,487,653	148,388,924
Sherbrooke	13,226,087	15,794,793	11,760,415
Total - Quebec	1,471,696,917	1,910,790,581	1,373,259,653
<u>Ontario -</u>			
Brantford	19,848,211	25,079,111	19,975,173
Chatham	14,434,473	16,229,400	12,451,246
Fort William	13,930,689	18,786,970	15,088,772
Hamilton	124,750,495	141,958,603	118,949,223
Kingston	14,114,977	16,916,441	13,602,134
Kitchener	22,955,897	32,008,879	24,286,471
London	65,143,371	66,822,366	53,972,424
Ottawa	511,535,287	783,984,361	519,414,698
Peterborough	12,843,034	14,333,531	13,419,857
St. Catharines	21,157,663	28,088,870	24,693,535
Sarnia	17,222,622	20,234,052	13,866,019
Sudbury	10,120,085	10,546,741	9,428,331
Toronto	1,336,643,450	1,696,549,306	1,224,198,139
Windsor	84,766,237	97,255,679	97,072,712
Total - Ontario	2,269,466,491	2,968,794,310	2,160,418,734
<u>Prairie Provinces -</u>			
Brandon	7,467,856	9,587,741	7,263,011
Calgary	116,994,528	158,920,634	121,865,920
Edmonton	89,597,036	104,856,249	96,853,370
Lethbridge	9,641,961	12,508,261	9,451,985
Medicine Hat	5,125,618	6,030,666	5,380,152
Moose Jaw	14,907,969	17,497,867	14,347,486
Prince Albert	7,051,842	7,884,903	6,259,070
Regina	93,962,131	136,302,422	75,893,509
Saskatoon	24,800,398	24,521,548	21,412,912
Winnipeg	546,717,362	759,014,141	569,356,741
Total - Prairie Provinces	916,266,701	1,237,124,442	928,084,156
<u>British Columbia -</u>			
New Westminster	14,900,449	17,749,370	15,936,833
Vancouver	234,690,107	330,059,635	224,344,564
Victoria	35,501,595	50,503,978	41,406,118
Total - British Columbia	285,092,151	398,312,983	281,687,515
GRAND TOTAL FOR CANADA	5,063,008,959	6,671,201,083	4,850,427,912

TABLE 2. - CHEQUES CASHED IN ECONOMIC AREAS - SHOWING TYPE OF ACCOUNT & CUMULATIVE TOTALS

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	December, 1944	November, 1944	December, 1944	November 1944
	\$	\$	\$	\$
Maritime Provinces ...	115,020,960	147,101,420	5,465,739	9,077,347
Quebec	1,392,658,735	1,785,578,772	79,038,182	125,211,809
Ontario	2,180,344,800	2,820,943,441	89,121,691	147,850,869
Prairie Provinces	891,822,704	1,193,458,481	24,443,997	43,665,961
British Columbia	261,629,453	360,750,713	23,462,698	37,562,270
GRAND TOTAL FOR CANADA	4,841,476,652	6,307,832,827	221,532,307	363,368,256
Cumulative Totals	Twelve Months of 1944	Twelve Months of 1943	Increase + Decrease -	Percentage of 1944 to 1943
	\$	\$	\$	\$
Maritime Provinces ...	1,327,660,964	1,243,762,861	+ 83,898,103	106.7
Quebec	17,222,287,360	15,373,881,025	+ 1,848,406,335	112.0
Ontario	26,902,944,561	24,681,702,142	+ 2,221,242,419	109.0
Prairie Provinces	11,488,439,812	9,199,963,592	+ 2,288,476,220	124.9
British Columbia	3,735,621,710	3,297,405,107	+ 438,216,603	113.3
GRAND TOTAL FOR CANADA	60,676,954,407	53,796,714,727	+ 6,880,239,680	112.8

TABLE 3. - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted Economic Indexes	1943 Nov.	July	Aug.	1 Sept.	9 Oct.	4 Nov.
Bank Debits 1935-39=100	155.0	170.0	177.1	184.3	164.3	220.4
Physical Volume of Business	242.9	232.2	233.1	231.0	228.0	227.9
Common Stocks 1935-39=100	79.6	87.5	86.8	85.0	86.2	86.0
Cost of Living 1935-39=100	119.4	119.0	118.9	118.8	118.6	118.9
Employment in manufacturing 1926=100	228.5	221.2	219.9	219.8	216.6	219.1
Wholesale Prices 1926=100	102.4	102.6	102.3	102.3	102.4	102.4

TABLE 4. - EQUATION OF EXCHANGE

	1943 Nov.	July	Aug.	1 Sept.	9 Oct.	4 Nov.
Circulating Media						
Millions of Dollars						
Bank Notes in Circulation -						
Bank of Canada	844.5	942.4	960.4	982.8	1,012.5	1,007.8
Chartered Banks	44.4	36.0	35.8	35.3	35.0	34.2
Notes in hands of public ..	760.8	856.0	868.2	906.1	913.5	902.6
Subsidiary coin in hands of public	54.8	56.7	57.1	60.4	58.4	59.0
Total Circulating Media in hands of public (M)	815.6	912.6	925.3	966.5	971.9	961.6
Deposits						
Deposits with Chartered Banks						
Dominion Government	866.8	521.8	293.1	171.1	203.3	969.6
Provincial Government	85.6	110.7	110.1	117.3	120.1	94.5
Demand	1,619.2	1,818.9	1,894.1	1,973.8	2,144.5	1,813.3
Notice	1,882.5	2,264.5	2,369.6	2,464.2	2,488.9	2,343.1
Total	4,454.2	4,715.9	4,666.9	4,726.3	4,956.7	5,220.6
Deposits with Bank of Canada -						
Dominion Government	66.1	43.0	53.9	21.9	76.9	10.8
Other	16.1	22.3	34.3	33.3	32.4	20.4
Total	82.2	65.3	88.1	55.2	109.3	31.2
Total Deposits (M1)	4,536.4	4,781.2	4,755.0	4,781.5	5,066.1	5,251.7
Money Supply (M+M1)	5,352.0	5,693.9	5,680.3	5,748.1	6,038.0	6,213.3
Cash and Cheque Payments						
Bank Debits	5,913.5	4,733.5	4,531.8	4,818.6	4,931.9	6,671.2
Bank Debits less 5 large centres	1,270.0	1,023.8	1,006.7	1,009.3	1,109.2	1,389.1
Estimated total cheque pay- ments (1) (M1V1)	6,903.8	5,420.6	5,257.1	5,585.1	5,731.8	7,692.0
Velocity of deposits (V1).	1.52	1.13	1.11	1.17	1.18	1.49
Cash Payments (2) (MV) ...	1,435.4	1,201.0	1,196.4	1,317.4	1,336.4	1,669.3
Cash and Cheque Payments (MV + M1V1)	8,339.2	6,621.7	6,453.5	6,902.5	7,068.3	9,361.2

(1) Including allowance of 12½ p.c. for cheques cashed outside of clearing centres and estimated debits against accounts (except accounts of other banks) with Bank of Canada

(2) V. assumed to be 116.5 p.c. of V1.

