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CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, FEBRUARY, 1944.

The amount of cheques cashed against individual accounts rose 13.4 p.c. in February over the same month of last year. The total was \$4,208 million against \$3,712 million one year ago. As wholesale and retail prices are only slightly above the levels of last year, the major portion of the advance in cheque payments was due to the acceleration in productive activity. The gain in the index of the physical volume of business was about 9 p.c. and production in manufacturing plants rose to about the same extent.

Advances were recorded in each of the five economic areas, the increase in the Prairie Provinces having been the most outstanding. Cheques cashed in the Maritime Provinces were \$87.5 million against \$77.7 million, a gain of 12.6 p.c. The increases were general in each of the three clearing centres, Halifax, Moncton and Saint John. Debits in Montreal rose from \$981 million to \$1,085 million, the aggregate for the province having been 2.8 p.c. greater.

Twelve of the fourteen centres in Ontario recorded gains over the same month of last year. The total for the province was \$1,881 million against \$1,751 million, a gain of 7.4 p.c. Each of the ten centres in the Prairie Provinces recorded gains, most of them of major proportions. The aggregate for the three provinces was \$747.9 million against \$486.4 million, a gain of 53.8 p.c. Each of the three centres in British Columbia recorded gains, the total for Vancouver having been \$238 million against \$180 million. The increase in the total for the province was 28.4 p.c., the total last month having been \$285.4 million.

The sum of cheques cashed in the first two months of 1944 rose 14.6 p.c. over the same period of last year. The total was \$8,721 million against \$7,611 million. Of the gain for Canada, amounting to \$1,109 million, the Prairie Provinces recorded an increase of \$528 million. The increase in the Maritime Provinces was 14.1 p.c., the total in the first two months of the present year having been \$1,844 million.

The increase in Quebec was 9.5 p.c. while that in Ontario amounted to 5.5 p.c. The totals during the last two months in Quebec and Ontario were \$2,553 million and \$3,827 million, respectively. The total in the Prairie Provinces rose from \$1,032 million to \$1,560 million, a gain of 51 p.c. The advance in British Columbia was 29.5 p.c., the total in the last two months having been \$596 million.

The increase over January after seasonal adjustment was of slight proportions, the total for Canada having shown a gain of 0.5 p.c. Increases of moderate proportions were shown in each of the five economic areas.

Cheques cashed against Government and demand accounts amounted to \$4,061 million in February. The amount of such deposit liabilities was \$2,247 million at the end of January. Consequently, the deposits were turned over 1.81 times in the current period. The turnover of such deposits in the corresponding period of last year was 2.02. The cheques cashed against such deposits one year ago were \$1,772 million while the deposits amounted to \$3,585 million.

Cheques cashed against notice deposits amounted to \$146.8 million in February. As the notice deposits amounted to \$2,026 million, the turnover was .072. The turnover in the same period of last year was .074. The notice deposits at the end of January, 1943 were \$1,723 million. The cheques cashed against that account during February one year ago were \$126.7 million.

The money supply in February was estimated at \$5,108 million compared with \$4,176 million in the same month last year, a gain of about 22 p.c. The deposits during the same interval rose from \$3,494 million to \$4,272 million while the circulating media in the hands of the public, consisting of bank notes and subsidiary coin, rose from \$681 million to \$835 million. The increases in bank deposits and circulating media followed a somewhat similar pattern during the twelve months as far as percentage increases are concerned. The cash and cheque payments were estimated at \$5,693 million in February against \$5,129 million in the same month last year, the gain having been about 11 p.c. Adding 12½ p.c. to provide for transactions outside of the thirty-three centres, cheque payments were estimated at \$4,734 million in February against \$4,176 million in the same month last year. A minor increase was shown in estimated cash payments which rose from \$953 million to \$959 million.

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

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS			
Province and Clearing House Centres	February, 1944	February, 1943	January, 1944
	\$	\$	\$
<u>Maritime Provinces -</u>			
Halifax	44,240,131	42,375,559	52,319,571
Moncton	16,045,685	12,709,142	17,414,295
Saint John	27,216,663	22,624,958	27,115,986
Total - Maritime Provinces	87,502,479	77,709,659	96,849,852
<u>Quebec -</u>			
Montreal	1,085,320,414	981,054,050	1,199,389,770
Quebec	110,621,894	183,746,429	137,078,048
Sherbrooke	10,517,928	9,117,504	10,298,483
Total - Quebec	1,206,460,236	1,173,917,983	1,346,766,301
<u>Ontario -</u>			
Brantford	16,690,331	15,812,180	11,666,673
Chatham	12,605,201	10,564,423	13,442,663
Fort William	9,506,913	8,072,795	10,977,364
Hamilton	92,723,005	102,043,748	99,097,794
Kingston	10,889,782	12,098,970	14,437,943
Kitchener	21,474,028	17,352,388	23,605,308
London	50,566,373	37,797,673	52,335,360
Ottawa	547,831,600	484,371,994	485,988,273
Peterborough	11,481,925	10,176,267	12,325,118
St. Catharines	21,007,000	17,878,623	18,781,683
Sarnia	11,540,114	10,090,143	13,383,118
Sudbury	7,703,281	6,702,555	8,487,244
Toronto	987,474,333	946,603,812	1,097,741,433
Windsor	79,299,815	72,013,747	84,379,697
Total - Ontario	1,880,793,701	1,751,579,318	1,946,649,671
<u>Prairie Provinces -</u>			
Brandon	5,714,064	4,634,444	6,183,102
Calgary	106,598,499	67,371,784	118,913,544
Edmonton	84,658,270	62,159,823	91,353,618
Lethbridge	7,637,660	5,654,979	8,684,578
Medicine Hat	4,710,561	3,418,072	5,596,104
Moose Jaw	11,333,643	8,546,770	14,006,545
Prince Albert	5,666,929	3,676,676	6,229,947
Regina	63,549,993	40,643,635	68,924,227
Saskatoon	18,575,454	12,567,575	20,648,869
Winnipeg	439,433,184	277,742,402	471,274,737
Total - Prairie Provinces	747,878,256	486,418,160	811,815,271
<u>British Columbia -</u>			
New Westminster	12,236,006	9,735,161	13,462,554
Vancouver	238,007,814	179,822,913	260,084,129
Victoria	35,154,004	32,659,929	36,846,143
Total - British Columbia	285,397,824	222,218,003	310,392,826
GRAND TOTAL FOR CANADA	4,208,032,496	3,711,843,123	4,512,473,921

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

ECONOMIC AREAS	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	February, 1944	January, 1944	February, 1944	January, 1944
Maritime Provinces	84,307,343	92,956,806	3,195,136	3,893,046
Quebec	1,157,663,592	1,289,755,700	48,796,644	57,010,601
Ontario	1,818,613,431	1,867,937,255	62,180,270	78,712,416
Prairie Provinces	730,829,016	793,527,481	17,049,240	18,287,790
British Columbia	269,824,172	293,171,436	15,573,652	17,221,390
GRAND TOTAL FOR CANADA	4,061,237,554	4,337,348,678	146,794,942	175,125,243

CUMULATIVE TOTALS	First	First	Increase (+) Decrease (-)	Percentage of 1944 to 1943
	Two Months 1944	Two Months 1943		
Maritime Provinces	184,352,331	161,551,993	+ 22,800,338	114.1
Quebec	2,553,226,537	2,331,037,927	+ 222,188,610	109.5
Ontario	3,827,443,372	3,626,646,476	+ 200,796,896	105.5
Prairie Provinces	1,559,693,527	1,032,126,433	+ 527,567,094	151.1
British Columbia	595,790,650	460,108,652	+ 135,681,998	129.5
GRAND TOTAL FOR CANADA	8,720,506,417	7,611,471,481	+1,109,034,936	114.6

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

SEASONALLY ADJUSTED ECONOMIC INDEXES			1	9	4	3			1	9	4	4
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Jan.	Feb.	Jan.	Feb.
Bank Debits 1935-39=100	152.1	157.1	171.6	155.0	195.4	164.3	171.6	172.4				
Physical Volume of Business	227.3	241.0	236.7	239.5	242.9	248.8	247.0					
Common Stocks 1935-39=100	78.7	88.9	89.3	86.4	79.6	80.5	81.5					
Cost of Living	116.9	119.2	119.4	119.3	119.4	119.3	119.0	118.9				
Employment in manufactur- ing 1926=100	231.1	222.6	223.4	223.9	228.5	233.8	242.4					
Wholesale Prices 1926=100	97.5	100.4	101.2	101.9	102.4	102.5	102.5					

CIRCULATING MEDIA		Millions of Dollars										
Bank of Canada notes	677.6	776.1	796.7	815.1	836.6	844.6	874.4	860.6				
x Circulation of Bank Notes	59.7	48.5	47.4	46.8	45.8	44.4	43.1	41.8				
x Total Notes in Hands of Public	632.8	718.6	724.8	746.7	767.3	760.8	793.7	781.3				
Subsidiary Coin in Hands of Public	48.6	53.3	53.4	54.1	55.5	55.6	55.5	54.0				
Circulating Media in Hands of Public (m)	681.4	771.9	778.2	800.8	822.8	816.4	849.2	835.2				

EQUATION OF EXCHANGE												
x Notice Deposits	1,722.6	1,825.8	1,915.7	1,988.9	1,961.2	1,882.5	1,947.8	2,026.2				
x Demand Deposits	1,431.5	1,476.1	1,652.7	1,767.7	1,826.8	1,619.2	1,696.8	1,673.3				
x Dominion Government Deposits	258.8	555.4	308.6	220.9	206.2	866.8	661.6	474.9				
x Provincial Government Deposits	81.5	101.9	100.7	107.8	113.0	85.6	88.5	98.5				
x Total Deposits (M1)	3,494.4	3,959.1	3,977.7	4,085.3	4,107.1	4,454.2	4,394.6	4,272.9				
Ratio of Bank Debits to Deposits P.C.	106.2	101.5	112.3	113.9	144.0	108.9	102.7	98.5				
Bank Debits + 12 $\frac{1}{2}$ P.C. (M1V1)	4,176	4,523	5,046	5,236	6,653	5,457	5,077	4,734				
Velocity of Bank Deposits (V1)	1.20	1.14	1.27	1.28	1.62	1.23	1.16	1.11				
Bank Debits less 5 large centres	842	889	917	1,032	1,270	1,100	880	910				
Cash Payments (MV) ..	953	1,025	1,152	1,194	1,553	1,170	1,147	959				
Cash and Cheque Payments (M1V1 + MV)	5,129	5,548	6,198	6,430	8,206	6,627	6,224	5,693				
Index of Cash and Cheque Payments	149.0	161.1	180.0	186.8	238.4	192.5	180.8	165.4				
Money Supply (M1 + M)	4,176	4,731	4,756	4,386	4,930	5,271	5,244	5,108				

x Statistics of chartered banks apply to end of preceding month.

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