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MAY 20 1945

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, APRIL, 1945.

Cheques cashed in clearing centres rose in April to a higher position than in the same month of last year. In continuance of the upward trend in evidence since the beginning of the war bank debits were greater in April than in the same month of any other year. The total at \$4,855 million recorded an increase of 6.4 p.c. over April, 1944. April debits have shown increases year by year since the temporary recession of 1938. The trend in April debits has been consistently upward for the duration of the war.

Greater business activity was definitely indicated for each of the five economic areas except the Prairie Provinces. Increases in cheques cashed in the Maritimes and Quebec amounted to 17 p.c. and 16.5 p.c., respectively. While the absolute increase was greater in Ontario, the percentage advance was slightly less than 12 p.c. The decline in the Prairie Provinces was 15.3 p.c., while an increase of 5.1 p.c. was recorded in British Columbia. Debits in Montreal and Toronto were each in excess of a billion dollars in the month under review, while in April last year Montreal alone was in that category.

Comparison with the first four months of 1944:- Cheques cashed in the first four months were greater than in any similar period of history. The total was \$19,688 million compared with \$18,055 million in the first four months of 1944. New high positions have been recorded for each of the years from 1939 to the present. The standing in 1943 was \$15,694 million compared with \$15,128 million in 1929 the culminating year in the last major economic cycle.

The increase in each of the three eastern areas of the Maritimes, Quebec and Ontario was between 13 p.c. and 14 p.c., British Columbia recorded a gain of 4 p.c., while the Prairie Provinces showed a decline of about 8 p.c. The gain in Ontario alone was more than a billion dollars.

Reflecting the marked economic activity based primarily upon the production of munitions and war supplies and the high level of pay and allowances to the armed forces, cheques cashed rose to a new maximum in the early months of 1944. A contributing factor was the revival in speculation, the index of common stocks having risen from 79.3 in April last year to more than 93 in the latest month.

Attention is drawn to Table 5 on page 4, presenting a statement of cheques cashed in the clearing centres during the first four months of each year since the statistics were first computed in 1924. The totals for 1945 were greater than in any other year of the record. The increase over the pre-war year of 1938 was about 110 p.c. The total was \$19.7 billion compared with \$9.4 billion in 1938 and \$15.1 billion in 1929.

Estimated cash and cheque payments rose to the high point of \$6,165 million in the latest month for which statistics are available. The standing in the same month of last year was \$5,566 million, a gain of nearly 11 p.c.

The charts indicate the marked expansion in financial transactions over the inter-war period. Cheque and cash payments were more than doubled between 1938 and 1944. The increase in the money supply was nearly as great, while the national income rose about 114 p.c.

As the increases in payments and money supply were of much the same order, the turnover showed a relatively slight gain during the six years. Dividing the payments by the money supply, we obtain a turnover of 15.1 in 1944 against 14.6 in 1938.

The money supply and the national income show a greater measure of correlation than the latter with payments. The fluctuations from the trend of the money supply correspond more closely with those of the national income. The estimate of income, being based on production and prices of goods and services is probably the best available measure of economic cycles from the end of the last war to the present.

TABLE 1. - CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES IN CANADA, APRIL, 1945 WITH COMPARATIVE FIGURES FOR APRIL, 1944, AND MARCH, 1945.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS

Economic Area and Clearing House Centre	April, 1945.	April, 1944.	March, 1945.
Maritime Provinces -	\$	\$	\$
Halifax	59,737,006	51,533,541	59,101,780
Moncton	19,758,053	16,985,415	19,891,660
Saint John	37,056,284	31,036,674	32,811,617
Total - Maritime Provinces	116,551,343	99,555,630	111,805,057
Quebec -			
Montreal	1,206,865,300	1,033,562,678	1,366,915,473
Quebec	117,733,794	103,671,501	136,657,238
Sherbrooke	12,996,567	10,959,756	12,497,123
Total - Quebec	1,337,595,661	1,148,193,935	1,516,069,834
Ontario -			
Brantford	20,485,075	20,785,465	18,682,196
Chatham	12,189,153	9,387,916	15,550,048
Fort William	13,899,138	11,486,485	13,146,840
Hamilton	100,240,044	106,883,635	105,937,436
Kingston	12,375,500	12,684,612	12,559,678
Kitchener	22,596,225	20,040,932	23,032,405
London	50,859,827	46,051,125	60,758,310
Ottawa	709,699,754	680,258,637	804,032,780
Peterborough	13,873,847	11,697,007	12,749,843
St. Catharines	18,184,877	18,657,701	20,533,722
Sarnia	20,769,887	13,802,674	17,696,129
Sudbury	10,575,837	8,676,337	9,370,391
Toronto	1,121,002,145	923,987,278	1,477,691,936
Windsor	74,597,240	82,839,463	80,771,796
Total - Ontario	2,201,148,549	1,967,239,267	2,672,513,510
Prairie Provinces -			
Brandon	7,826,669	7,275,260	6,739,935
Calgary	117,420,953	125,667,390	104,847,319
Edmonton	94,078,148	89,530,174	83,634,395
Lethbridge	10,074,745	9,816,312	8,944,865
Medicine Hat	5,209,284	5,296,345	4,934,593
Moose Jaw	14,274,555	12,607,939	13,795,640
Prince Albert	7,304,114	6,738,597	6,848,235
Regina	83,552,711	131,076,000	70,673,039
Saskatoon	23,086,448	21,217,949	22,768,803
Winnipeg	533,312,365	648,370,203	379,605,232
Total - Prairie Provinces	896,139,992	1,057,596,169	702,792,056
British Columbia -			
New Westminster	14,714,375	13,233,903	16,462,541
Vancouver	243,870,222	237,119,567	266,998,229
Victoria	45,084,801	38,321,903	42,316,482
Total - British Columbia	303,669,398	288,675,373	325,777,252
GRAND TOTAL FOR CANADA	4,855,104,943	4,561,260,734	5,328,957,709

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

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	April, 1945	March, 1945	April, 1945	March, 1945
Maritime Provinces	\$ 109,999,311	\$ 106,793,526	\$ 6,552,032	\$ 5,011,531
Quebec	1,257,136,728	1,433,760,552	80,458,933	82,309,282
Ontario	2,094,887,627	2,585,236,192	106,260,922	87,277,318
Prairie Provinces	860,991,488	676,781,950	35,148,504	26,010,106
British Columbia	271,864,379	298,835,850	31,805,019	26,941,402
GRAND TOTAL FOR CANADA...	4,594,879,533	5,101,408,070	260,225,410	227,549,639
Cumulative Totals	First Four Months of 1945	First Four Months of 1944	Increase (+) Decrease (-)	Percentage of 1945 to 1944
Maritime Provinces	338,314,272	386,653,024	+	52,161,248 113.5
Quebec	5,718,120,051	5,036,037,124	+	682,082,927 113.5
Ontario	9,148,325,559	8,029,104,833	+ 1,119,220,726	113.9
Prairie Provinces	3,155,701,502	3,425,412,803	- 269,711,301	92.1
British Columbia	1,226,606,618	1,177,836,398	+ 48,770,220	104.1
GRAND TOTAL FOR CANADA...	19,687,568,002	18,055,044,182	+ 1,632,523,820	109.0

Table 3. - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted Economic Indexes	1	9	4	4	1	9	4	5
	March	April	Dec.	Jan.	Feb.	March		
Bank Debits 1935-39=100	188.8	175.4	171.5	192.7	181.7	210.8		
Physical Volume of Business	247.8	239.5	233.0	228.8	216.7	225.2		
Common Stocks 1935-39=100	81.5	79.3	86.6	89.4	92.9	93.2		
Cost of Living 1935-39=100	119.0	119.1	118.5	118.6	118.6	118.7		
Employment in manufacturing 1926=100	231.4	227.1	222.8	227.7	223.7	218.9		
Wholesale Prices 1926=100	103.0	102.9	102.5	102.8	102.9	103.0		

Table 4. - EQUATION OF EXCHANGE

	1	9	4	4	1	9	4	5
	March	Nov.	Dec.	Jan.	Feb.	March		
<u>Circulating Media</u>								
Bank Notes in Circulation -								
Bank of Canada	897.9	1,007.8	1,036.0	1,020.6	1,028.6	1,048.7		
Chartered Banks	39.6	34.2	33.6	32.0	31.3	30.6		
Notes in hands of public ...	836.5	902.6	930.2	908.7	928.3	965.9		
Subsidiary ccin in hands of public	55.1	59.0	59.9	58.1	58.5	60.3		
Total Circulating Media in hands of public (M).....	891.6	961.6	990.1	966.8	986.9	1,026.3		
<u>Deposits</u>								
Deposits with Chartered Banks								
Dominion Government	144.7	969.6	763.2	609.2	420.1	159.8		
Provincial Government	106.3	94.5	88.4	100.0	110.9	119.2		
Demand	1,892.0	1,813.3	1,862.3	1,816.1	1,859.4	1,934.8		
Notice	2,225.4	2,343.1	2,423.0	2,524.0	2,630.6	2,724.7		
Total	4,368.4	5,220.6	5,136.8	5,049.3	5,021.0	4,938.4		
Deposits with Bank of Canada								
Dominion Government	65.8	10.8	12.9	23.2	27.9	18.7		
Other	22.8	20.4	27.7	36.0	57.2	52.7		
Total	88.6	31.2	40.6	59.2	65.1	71.3		
Total Deposits (M1)	4,457.0	5,251.7	5,177.4	5,108.4	5,086.1	5,009.8		
Money Supply (M+M1)	5,348.7	6,213.3	6,167.5	6,075.2	6,073.0	6,036.0		
<u>Cash and Cheque Payments</u>								
Bank Debits	4,773.3	6,671.2	5,063.0	5,080.0	4,433.5	5,329.0		
Bank Debits less 5 large centres	1,045.9	1,389.1	1,119.1	1,130.5	949.7	1,033.7		
Estimated total cheque payments (1) (M1V1)	5,566.2	7,692.0	5,767.6	5,807.5	5,108.2	6,165.0		
Velocity of deposits (V1)	1.25	1.49	1.11	1.13	1.00	1.22		
Cash Payments (2) (MV)	1,298.2	1,669.3	1,280.2	1,272.3	1,149.7	1,458.3		
Cash and Cheque Payments (MV + M1V1)	6,864.4	9,361.2	7,047.8	7,084.8	6,257.9	7,623.3		

(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.

Table 5. - CHEQUES CASHED IN CLEARING CENTRES IN THE FIRST FOUR MONTHS, 1924-1945

Year	January	February	March	April	Four Months
1924	2,126,913,476	2,137,761,714	1,930,320,239	1,979,101,689	8,174,097,118
1925	2,230,036,277	1,915,041,809	2,005,027,113	2,229,135,033	8,379,240,232
1926	2,368,210,435	2,132,219,922	2,309,312,348	2,631,481,440	9,441,224,145
1927	2,618,830,630	2,293,076,943	2,600,367,571	2,639,971,080	10,152,246,224
1928	3,399,113,036	3,101,983,416	3,215,407,776	3,890,074,573	13,014,578,801
1929	4,095,329,745	3,427,281,316	3,982,171,969	3,623,303,192	15,128,086,222
1930	3,211,421,766	2,815,024,273	3,092,042,070	3,082,071,479	12,200,560,088
1931	2,668,324,702	2,534,913,429	2,570,410,694	2,786,353,998	10,560,002,823
1932	2,071,034,426	1,990,046,321	2,024,037,771	2,073,905,560	8,159,024,078
1933	1,968,875,631	1,830,276,963	1,887,323,562	1,876,753,214	7,563,229,370
1934	2,597,015,425	2,089,346,484	2,488,913,660	2,536,347,022	9,711,622,591
1935	2,682,050,218	2,089,041,085	2,235,799,502	2,366,725,309	9,373,616,114
1936	2,992,068,239	2,767,449,324	2,598,810,717	2,773,756,280	11,132,084,560
1937	3,227,354,600	2,731,934,437	3,189,836,520	3,376,200,546	12,525,326,097
1938	2,444,600,036	2,175,995,261	2,370,658,176	2,401,369,770	9,392,623,243
1939	2,511,881,724	2,050,003,522	2,428,097,769	2,473,031,928	9,463,014,943
1940	2,674,334,955	2,955,217,112	2,412,660,476	2,938,297,836	10,980,510,379
1941	2,941,104,197	2,540,182,412	2,838,145,853	2,984,165,460	11,303,597,922
1942	3,230,788,844	2,892,863,582	4,176,830,029	3,733,218,977	14,033,701,432
1943	3,899,628,358	3,711,843,123	4,011,883,239	4,070,712,509	15,694,067,229
1944	4,512,473,921	4,208,032,496	4,773,277,391	4,561,260,374	18,055,044,182
1945	5,069,994,764	4,433,510,586	5,328,957,709	4,855,104,943	19,687,568,002

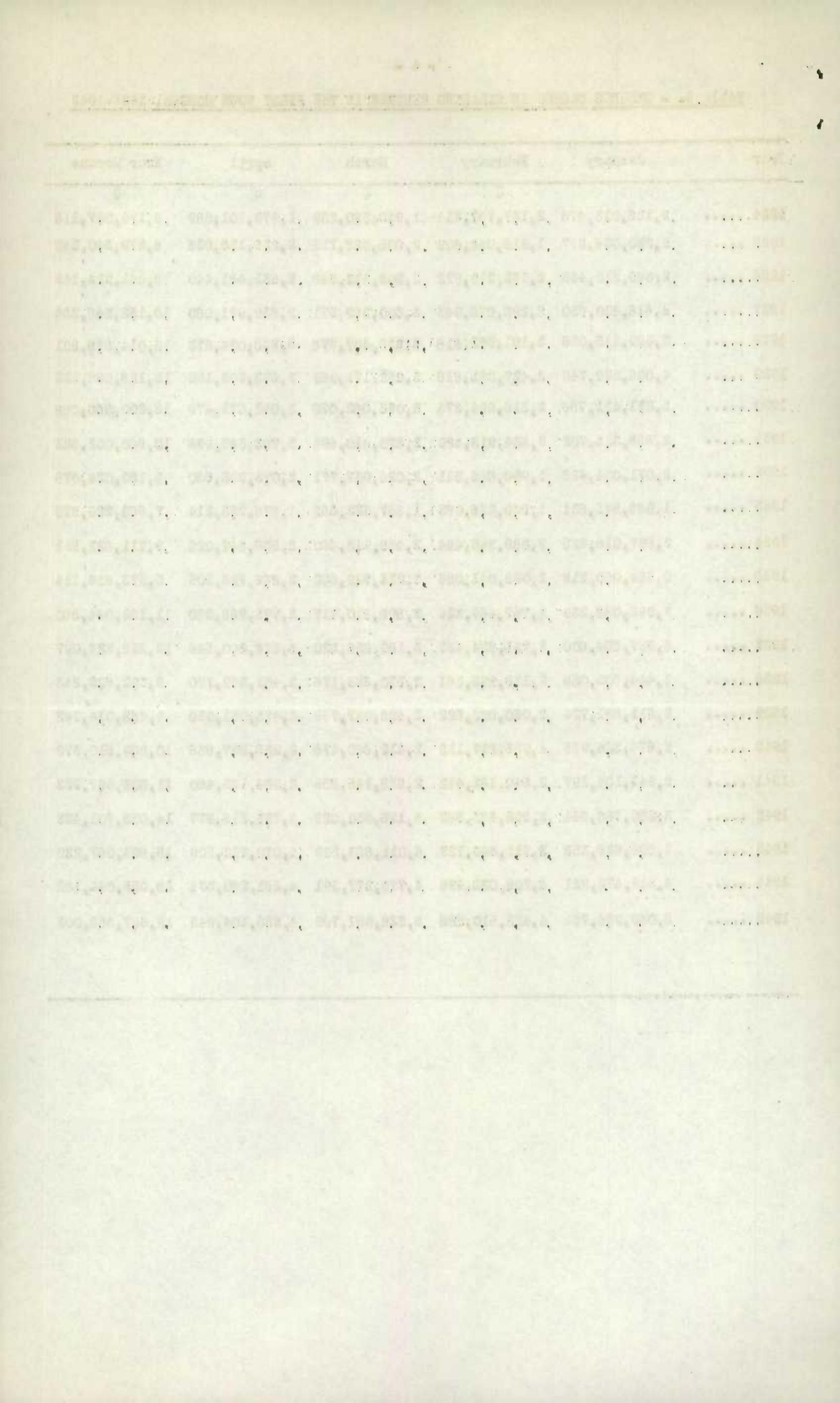
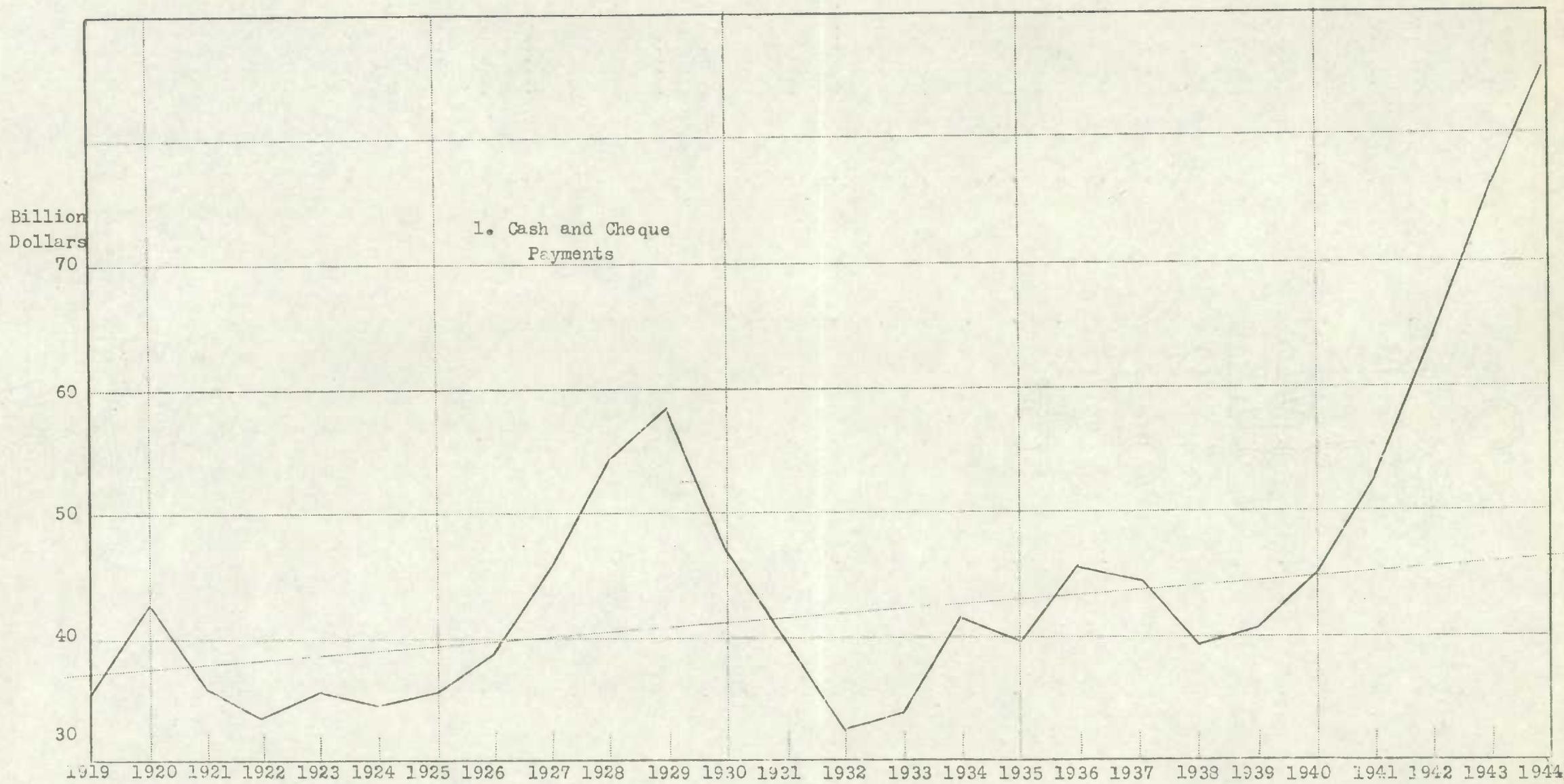
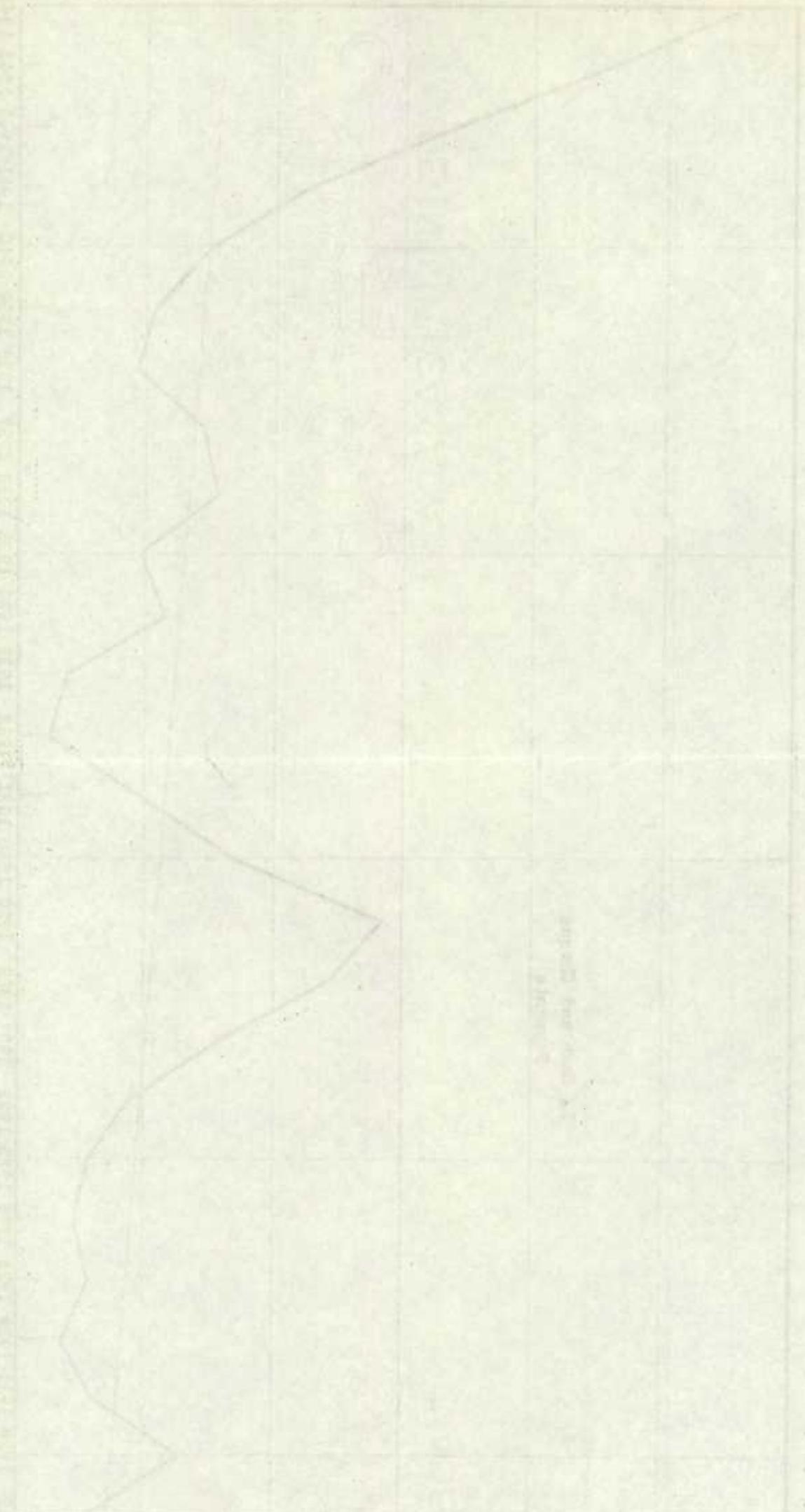
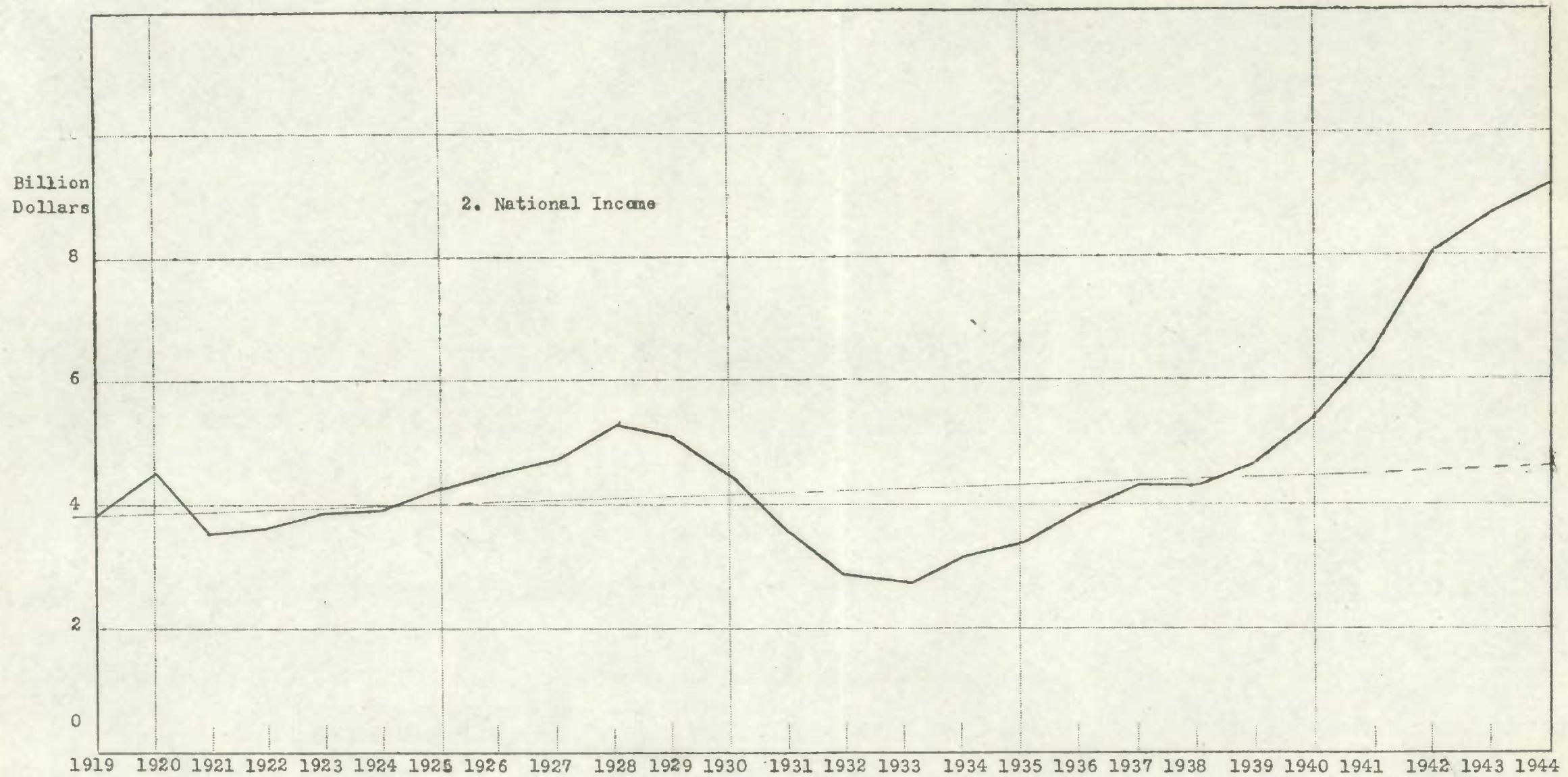


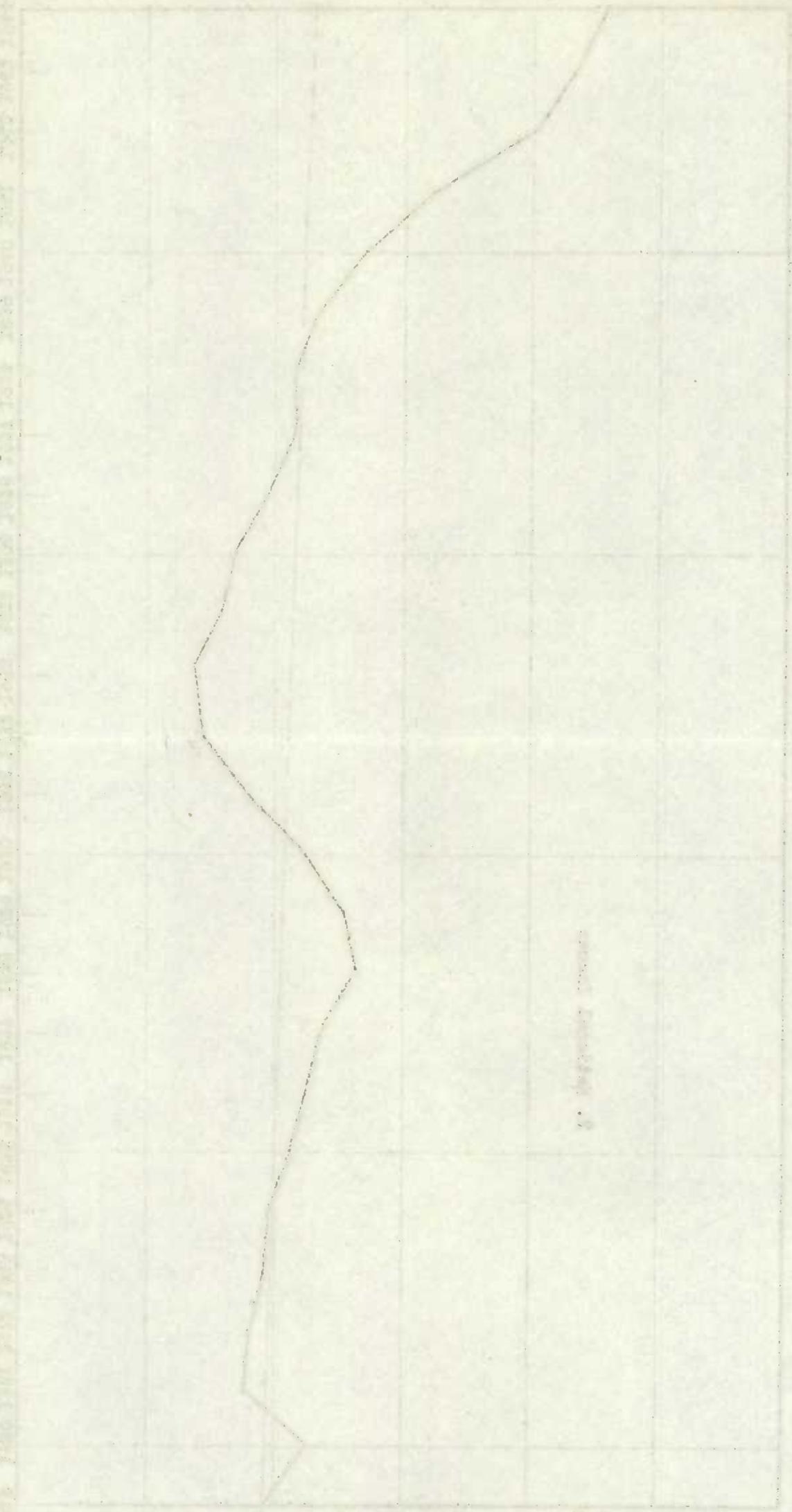
Table 6. - CASH AND CHEQUE PAYMENTS, NATIONAL INCOME AND MONEY SUPPLY IN MILLION DOLLARS

Year	Cash & Cheque Payments		National Income		Money Supply	
	Amount	Trend	Amount	Trend	Amount	Trend
1919	35,157	37,340	3,816	3,837	2,191	1,987
1920	42,307	37,704	4,598	3,868	2,342	2,025
1921	35,789	38,068	3,507	3,900	2,175	2,062
1922	33,281	38,433	3,671	3,932	1,983	2,100
1923	35,718	38,797	3,847	3,964	1,990	2,138
1924	34,580	39,161	3,865	3,995	2,001	2,175
1925	35,610	39,526	4,239	4,027	2,659	2,213
1926	38,344	39,890	4,507	4,059	2,151	2,250
1927	45,375	40,254	4,738	4,091	2,274	2,288
1928	54,364	40,618	5,269	4,122	2,452	2,326
1929	58,356	40,983	5,273	4,154	2,497	2,363
1930	46,791	41,347	4,452	4,186	2,326	2,401
1931	39,175	41,711	3,580	4,218	2,274	2,439
1932	32,152	42,076	2,813	4,249	2,121	2,476
1933	37,342	42,440	2,723	4,281	2,106	2,514
1934	41,027	42,804	3,147	4,313	2,136	2,552
1935	39,343	43,168	3,371	4,345	2,289	2,589
1936	45,255	43,533	3,827	4,376	2,443	2,627
1937	44,467	43,897	4,368	4,408	2,609	2,665
1938	39,052	44,261	4,288	4,440	5,672	2,702
1939	40,133	44,626	4,570	4,472	2,876	2,740
1940	44,815	44,990	5,391	4,503	3,130	2,777
1941	52,551	45,354	6,426	4,535	3,528	2,815
1942	63,866		8,044		3,986	
1943	76,066		8,724		4,837	
1944	85,791		9,186		5,688	









3. Money Supply

Billion
Dollars

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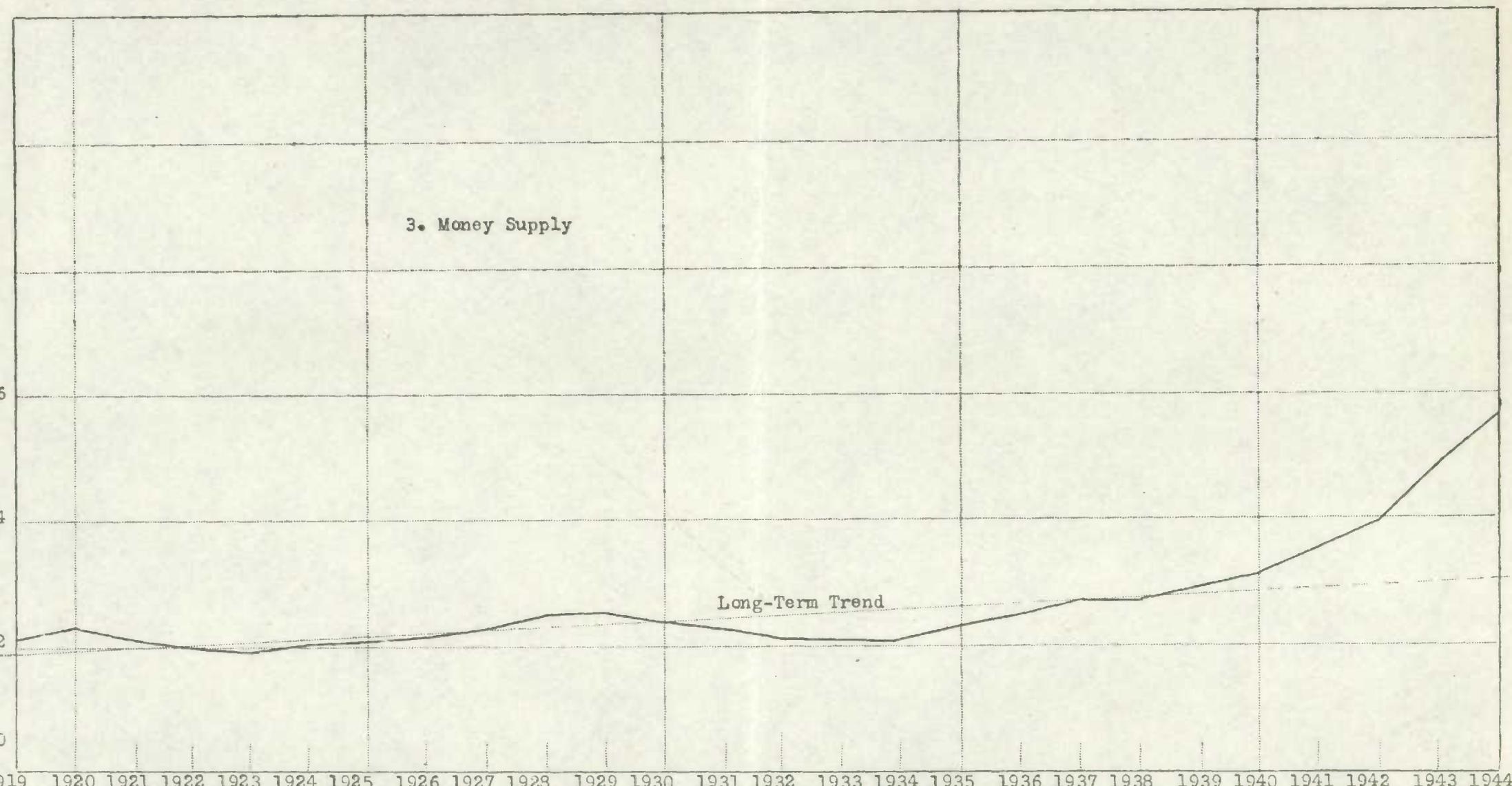
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Long-Term Trend

1919 1920 1921 1922 1923 1924 1925 1926 1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944



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