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CHEQUES CASHED

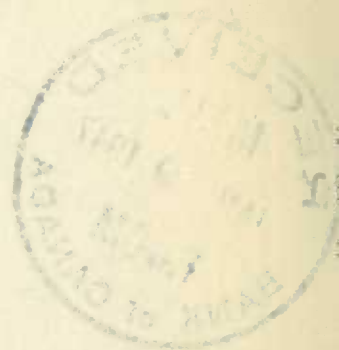
AND

MONEY SUPPLY

DECEMBER, 1946



OTTAWA
1947



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CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, DECEMBER, 1946.

Cheques cashed in Canada were greater during 1946 than in any other year. The total cashed in clearing centres was \$69,268 million, representing an increase of 1.3 per cent over 1945, the previous maximum. The total in the year recently ended was about two and one-quarter times greater than in 1938, the last pre-war year. The gain over 1929, the culmination of the last major economic cycle, was more than 48 per cent.

Three of the five economic areas showed increases over 1945. The exceptions were Ontario and the Prairie Provinces, where the decline was less than 4 per cent. The gain in the Maritime Provinces was \$50 million, amounting to 3.2 per cent. The total for 1945 was \$1,554 million rising to \$1,604 million in the year under review. The greatest absolute advance was shown in the Province of Quebec, the increase having been \$1,440 million or 7.5 per cent. The total for the Province reached a high point in history, the amount having been \$20,749 million. The increase over 1938 was 108 per cent, while the advance over 1929 was practically 26 per cent.

Cheques cashed in Ontario were greater in 1946 than in any other economic area. The total was \$30.4 billion compared with \$31.5 billion in the preceding year. The decline was limited to 3.6 per cent or \$1,121 million. The total in 1946 exceeded that of any other year except 1945. The increase over 1938 was 120 per cent, while a gain of 64 per cent was shown over 1929.

The total for the Prairie Provinces also showed a recession from the high level of 1945. The total was \$11,125 million against \$11,562 million, a decline of 3.8 per cent. Cheques cashed during 1946 in the area were greater than in any other year except 1944 and 1945. The increase over 1938 was 143 per cent.

Bank debits in British Columbia showed a greater percentage increase than in any other economic area. The total for the year was \$5,368 million against \$4,416 million in 1945. The gain was no less than \$952 million or 21.5 per cent. The standing in 1946 was far greater than in any other year. The increases over 1929 and 1938 were 84 per cent and 177 per cent, respectively.

Relation to Other Factors

Economic activity continued at high levels in 1946. Prices of different categories averaged higher than in the preceding year. The advance in the index of commodity prices at wholesale was from 103.9 in December last year to about 111.7. Common stock prices averaged higher than in 1945, the high point of recent years having been reached in April. Bond prices rose to unprecedented levels. Owing to the termination of war contracts, the level of production was slightly less than in 1945. Employment in manufacturing plants receded to a somewhat lower point, while increases were shown in most of the other main groups of the classification.

Comparison with December 1945

Cheques cashed in December amounted to \$5,935 million against \$6,085 million in the same month of 1945, a decline of 2.5 per cent. Recessions were shown in Quebec and Ontario, while the three other economic areas recorded advances. The increase in the Maritime Provinces was 1.4 per cent, the total in December having been nearly \$140 million. Increases were shown in Moncton and Saint John while Halifax recorded a decline of about 5 per cent.

Owing to a decline in Montreal, the total for the Province of Quebec showed a recession of 2.6 per cent. The total was \$1,698 million against \$1,744 million. Increases in Quebec and Sherbrooke were 12 per cent and 12.6 per cent, respectively. Declines in three of the fourteen centres in Ontario resulted in a drop in the Provincial total. Cheques cashed in Toronto were \$1,649 million against \$2,085 million in the same month of 1945, a decline of nearly 21 per cent. The increase in Ottawa was 48.4 per cent, the total in December having been \$497 million. Debits in Hamilton were \$138.7 million, an increase of 26 per cent over the same month of 1945.

Eight of the ten centres in the Prairie Provinces recorded increases in this comparison. The total for the area rose 2.5 per cent. Declines were shown in Regina and Moose Jaw, while other centres in the area recorded increases. The gain in Winnipeg was 1.1 per cent, the total in December having been \$552 million. Each of the three centres in British Columbia recorded gains, the total for Vancouver having advanced 19 per cent. The increases in Victoria and New Westminster were 16.7 per cent and 10.2 per cent respectively.

Turnover of Bank Deposits

The turnover of current deposits was 1.98 in November, the latest month for which statistics are available. The use made of current deposits was somewhat less than in either October 1946 or in November 1945. The current deposits amounted to \$2,946 million during November compared with \$2,737 million in the preceding month. The standing in the same month of 1945 was \$3,024 million.

The turnover of savings deposits was 0.108 in November compared with 0.128 in October and 0.176 in November 1945. Cheques cashed against notice deposits were \$375 million in November compared with \$449 million in the preceding month.

Money Supply

The money supply consisting of deposits, bank notes and coin in the hands of the public was \$7,613 million at the end of November, the gain being limited to 4.8 per cent. The six classes of deposits with the chartered banks and the Bank of Canada rose from \$6,200 million at the end of November last year to \$6,505 million.

A minor increase was shown in the subsidiary coin in the hands of the public which rose about \$2 million to \$65.1 million. The notes in the hands of the public advanced nearly \$44 million in the twelve-month period. The total at the end of November was \$1,042.4 million.

TABLE 1. - CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES
IN CANADA, DECEMBER, 1946 WITH COMPARATIVE FIGURES FOR NOVEMBER, 1946 AND
DECEMBER, 1945

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS			
Province and Clearing House Centres	December 1 9 4 6	November 1 9 4 6	December 1 9 4 5
	\$	\$	\$
Maritime Provinces -			
Halifax	72,298,842	75,979,629	76,167,041
Moncton	27,028,581	27,242,848	23,634,912
Saint John	40,318,584	43,402,401	37,971,779
Total - Maritime Provinces	139,646,007	146,624,878	137,773,732
Quebec -			
Montreal	1,516,699,375	1,651,535,955	1,582,324,480
Quebec	162,164,866	153,145,780	144,775,381
Sherbrooke	18,688,206	17,807,029	16,594,415
Total - Quebec	1,697,552,447	1,822,488,764	1,743,694,276
Ontario -			
Brantford	22,951,332	23,549,964	23,436,138
Chatham	21,695,976	18,718,289	18,183,861
Fort William	19,607,255	15,891,401	13,565,660
Hamilton	138,673,837	146,859,260	109,790,957
Kingston	20,887,032	20,150,875	16,948,845
Kitchener	33,176,865	35,881,922	30,064,628
London	74,602,164	80,309,116	79,656,187
Ottawa	496,903,629	336,467,530	334,910,207
Peterborough	19,160,079	18,552,878	15,271,111
St. Catharines	22,972,033	27,064,934	20,900,694
Sarnia	25,387,011	20,546,592	18,435,228
Sudbury	14,727,321	14,940,924	11,799,539
Toronto	1,649,081,227	1,704,114,776	2,084,592,327
Windsor	82,435,905	78,526,927	68,387,792
Total - Ontario	2,642,261,666	2,541,575,388	2,845,943,174
Prairie Provinces -			
Brandon	8,772,876	10,038,491	7,117,585
Calgary	145,139,413	174,189,874	138,573,470
Edmonton	107,834,275	108,363,001	99,392,172
Lethbridge	13,186,501	13,369,182	10,966,591
Medicine Hat	6,259,493	6,985,344	5,833,342
Moose Jaw	15,704,756	16,936,279	16,419,032
Prince Albert	10,352,871	9,390,998	7,640,484
Regina	82,193,050	112,498,846	91,497,006
Saskatoon	31,590,980	33,256,448	26,011,463
Winnipeg	551,906,786	728,467,349	545,669,707
Total - Prairie Provinces	972,941,001	1,213,495,812	949,120,852
British Columbia -			
New Westminster	20,581,066	19,783,181	18,682,907
Vancouver	397,403,281	398,110,022	334,038,278
Victoria	64,793,242	69,417,200	55,498,408
Total - British Columbia	482,777,589	487,310,403	408,219,593
GRAND TOTAL FOR CANADA	5,935,178,710	6,211,495,245	6,084,751,627

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

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	Dec., 1946	Nov., 1946	Dec., 1946	Nov., 1946
	\$	\$	\$	\$
Maritime Provinces	130,150,700	137,763,804	9,495,307	8,861,074
Quebec	1,596,005,673	1,713,327,166	101,546,774	109,161,598
Ontario	2,497,831,343	2,383,676,900	144,430,323	157,898,488
Prairie Provinces	929,023,059	1,163,682,064	43,917,942	49,813,748
British Columbia	437,443,839	437,712,889	45,333,750	49,597,514
GRAND TOTAL FOR CANADA .	5,590,454,614	5,836,162,823	344,724,096	375,332,422
Cumulative Totals	Twelve Months of 1946	Twelve Months of 1945	Increase (+) Decrease (-)	Percentage of 1946 to 1945
Maritime Provinces	1,604,018,266	1,553,590,758	+ 50,427,508	103.2
Quebec	20,749,359,813	19,309,332,983	+1,440,026,830	107.5
Ontario	30,421,955,884	31,543,361,615	-1,121,405,731	96.4
Prairie Provinces	11,124,679,682	11,562,164,231	- 437,484,549	96.2
British Columbia	5,367,593,788	4,416,363,574	+ 951,230,214	121.5
GRAND TOTAL FOR CANADA .	69,267,607,433	68,384,813,161	+ 882,794,272	101.3

TABLE 3. - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted Economic Indexes	1 9 4 5		1 9 4 6				
	Nov.	Dec.	July	August	Sept.	Oct.	Nov.
Bank Debits, 1935-39 = 100	283.5	206.1	199.1	190.2	225.4	210.3	205.2
Physical Volume of Business	189.9	193.0	180.3	178.1	173.3	179.0	181.3
Common Stocks, 1935-39 = 100	107.2	112.5	119.1	116.9	104.4	101.8	102.5
Cost of Living, 1935 = 100	119.9	120.1	125.1	125.6	125.5	126.8	127.1
Employment in Manufacturing 1926 = 100	184.5	186.2	183.3	179.9	181.8	182.3	189.9
Wholesale Prices, 1926 = 100	103.9	103.9	109.5	109.2	109.1	110.8	111.4

TABLE 4. - MONEY SUPPLY - MILLIONS OF DOLLARS

	1 9 4 5		1 9 4 6				
	Nov.	Dec.	July	August	Sept.	Oct.	Nov.
Bank Notes in Circulation -							
Bank of Canada	1,113.8	1,129.1	1,117.9	1,127.4	1,147.5	1,156.9	1,161.1
Chartered Banks	26.1	25.7	22.9	22.5	22.2	21.8	21.7
Notes in hands of public	998.6	992.0	988.6	1,015.9	1,016.1	1,029.4	1,042.4
Subsidiary coin in hands of public	63.1	63.0	62.6	63.9	63.3	63.7	65.1
Total Circulating Media in hands of public (M)	1,061.6	1,055.0	1,051.2	1,079.8	1,079.5	1,093.0	1,107.5
Deposits							
Deposits with Chartered Banks							
Dominion Government	1,053.1	922.1	143.0	153.8	120.7	286.7	600.2
Provincial Government	97.6	91.1	136.0	124.3	127.2	121.8	119.8
Demand	2,046.4	2,062.9	2,197.1	2,148.2	2,265.3	2,315.7	2,181.8
Notice	2,816.2	2,865.3	3,410.9	3,465.7	3,524.1	3,476.7	3,460.1
Total	6,013.2	5,941.4	5,886.9	5,892.1	6,037.4	6,200.9	6,362.0
Deposits with Bank of Canada -							
Dominion Government	159.1	153.3	69.1	69.1	27.4	36.6	63.9
Other	27.4	29.8	90.1	79.7	87.8	85.2	79.4
Total	186.5	183.1	159.2	148.7	115.2	121.9	143.3
Total Deposits (MI)	6,199.7	6,124.5	6,046.1	6,040.8	6,152.5	6,322.7	6,505.3
Money Supply (M + MI)	7,261.3	7,179.5	7,097.3	7,120.6	7,232.0	7,415.8	7,612.8

TABLE 5. - CHEQUES CASHED IN CLEARING CENTRES IN THE TWELVE MONTHS, 1924-46

DOLLARS

Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1924	27,159,474,211	584,861,374	8,132,991,102	11,209,395,041	5,507,062,959	1,725,163,735
1925	28,126,060,756	572,499,530	8,475,224,491	11,236,043,641	6,000,047,283	1,842,245,211
1926	30,358,034,018	604,739,672	9,909,471,809	11,998,343,651	6,885,646,068	1,959,832,818
1927	36,093,503,098	627,744,049	12,643,906,315	14,641,811,031	6,126,986,036	2,053,055,667
1928	43,476,959,100	745,467,795	14,912,657,749	17,312,849,249	8,006,712,808	2,499,271,499
1929	46,670,981,848	797,957,813	16,483,667,262	18,543,268,230	7,922,806,296	2,922,782,247
1930	37,491,301,766	708,350,777	13,137,058,339	15,044,340,286	6,279,080,873	2,322,471,491
1931	31,586,468,262	652,543,469	10,550,072,979	13,376,840,349	5,201,211,730	1,805,799,730
1932	25,844,288,293	519,170,814	7,766,200,564	11,258,872,279	4,797,205,735	1,502,838,901
1933	29,981,465,494	481,013,532	8,567,070,260	13,027,437,905	6,414,353,624	1,491,590,173
1934	32,866,672,922	534,251,057	9,449,709,866	14,919,504,095	6,337,239,720	1,625,968,184
1935	31,546,066,341	574,052,860	8,977,529,023	13,876,626,476	6,445,395,764	1,672,462,218
1936	35,928,606,743	630,402,014	10,938,647,731	15,778,679,837	6,505,518,677	2,075,358,484
1937	35,166,061,138	733,359,446	11,568,421,542	15,939,149,497	4,827,021,407	2,098,109,246
1938	30,924,362,732	639,682,953	9,965,182,391	13,810,063,008	4,572,383,521	1,937,050,859
1939	31,617,351,831	679,947,972	9,820,399,452	13,618,490,448	5,478,229,879	2,020,284,080
1940	34,437,474,479	824,489,836	9,973,030,607	15,384,003,480	6,118,407,201	2,137,113,355
1941	39,242,957,184	940,712,152	11,068,666,580	18,214,788,841	6,591,645,027	2,427,144,584
1942	45,526,254,202	1,075,736,890	12,751,093,627	22,136,164,250	6,722,376,622	2,840,882,813
1943	53,796,714,727	1,243,762,861	15,373,881,025	24,681,702,142	9,199,963,592	3,297,405,107
1944	60,676,954,407	1,327,660,964	17,222,287,360	26,902,944,561	11,488,439,812	3,735,621,710
1945	68,384,813,161	1,553,590,758	19,309,332,983	31,543,361,615	11,562,164,231	4,416,363,574
1946	69,267,607,433	1,604,018,266	20,749,359,813	30,421,955,884	11,124,679,682	5,367,593,788

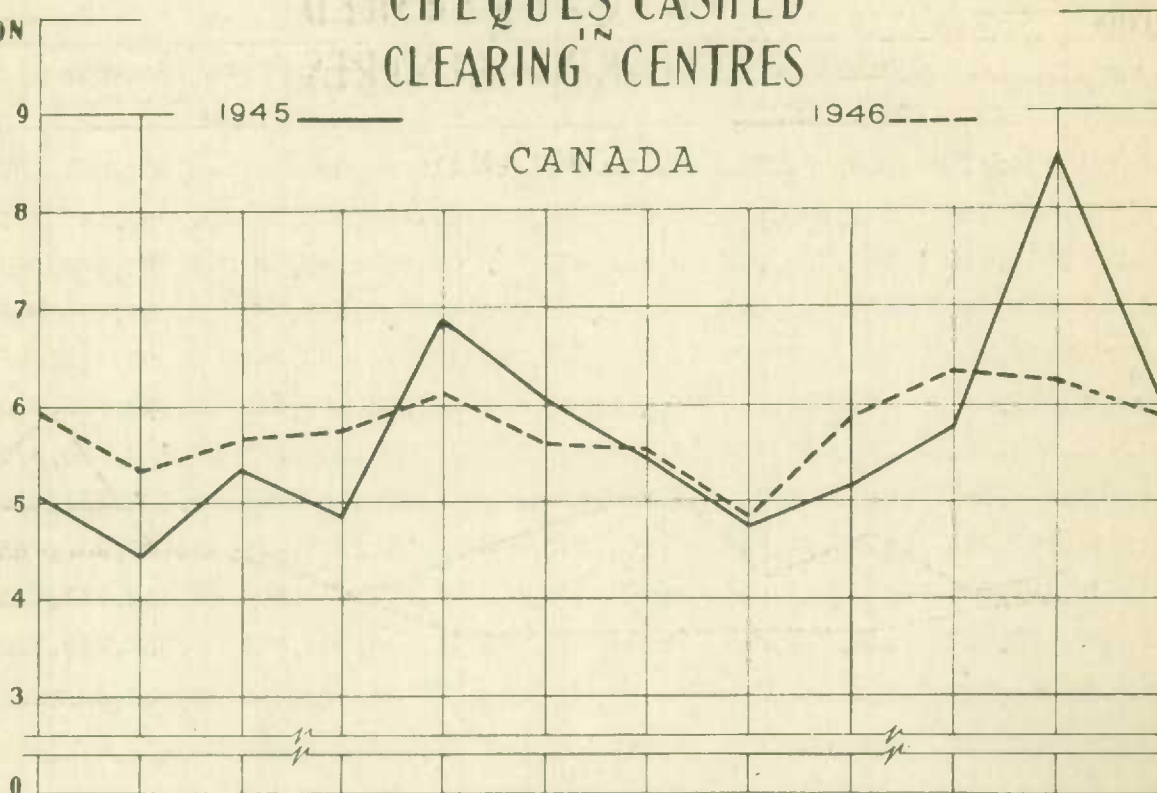
Percentage increase of 1946 over 1929 and 1938

P.c. to 1929	+ 48.4	+101.0	+ 25.9	+ 64.1	+ 40.4	+ 83.7
P.c. to 1938	+124.0	+150.8	+108.2	+120.3	+143.3	+177.1

① CHEQUES CASHED CLEARING CENTRES

BILLION

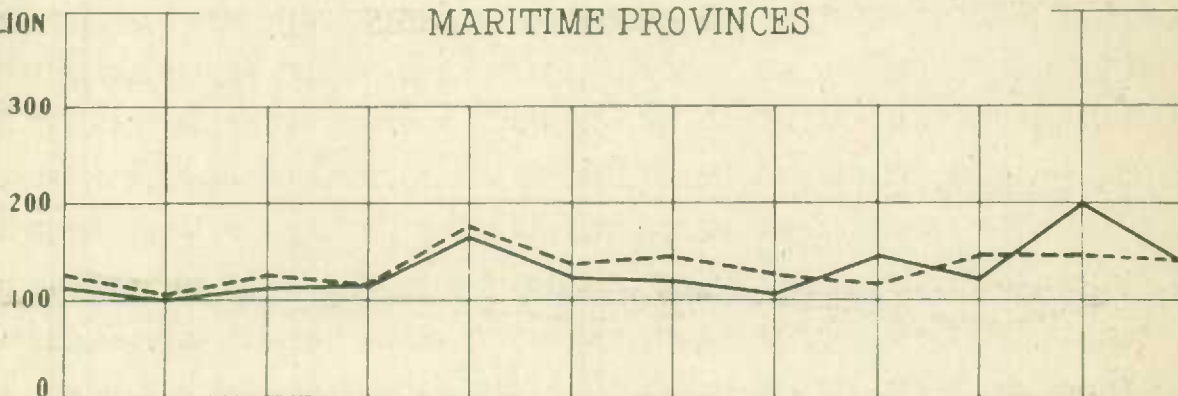
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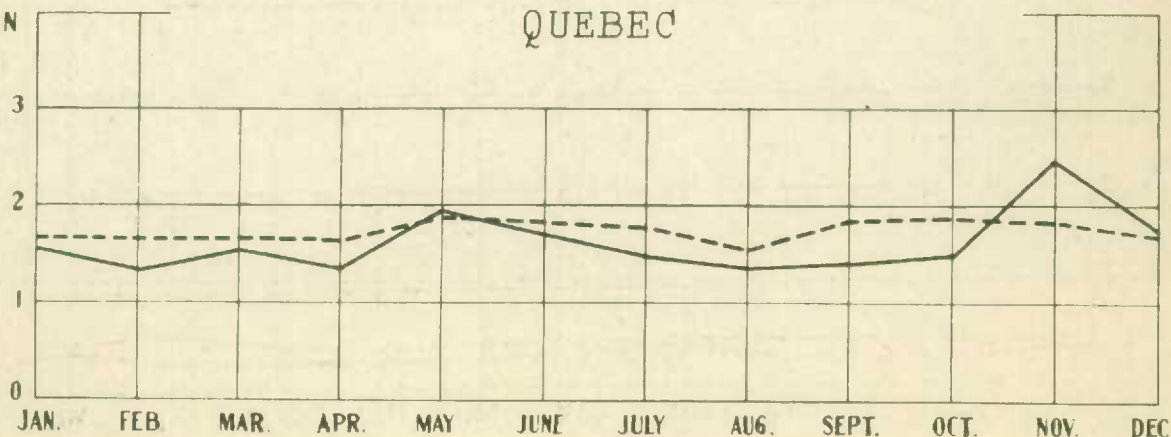
MARITIME PROVINCES



BILLION

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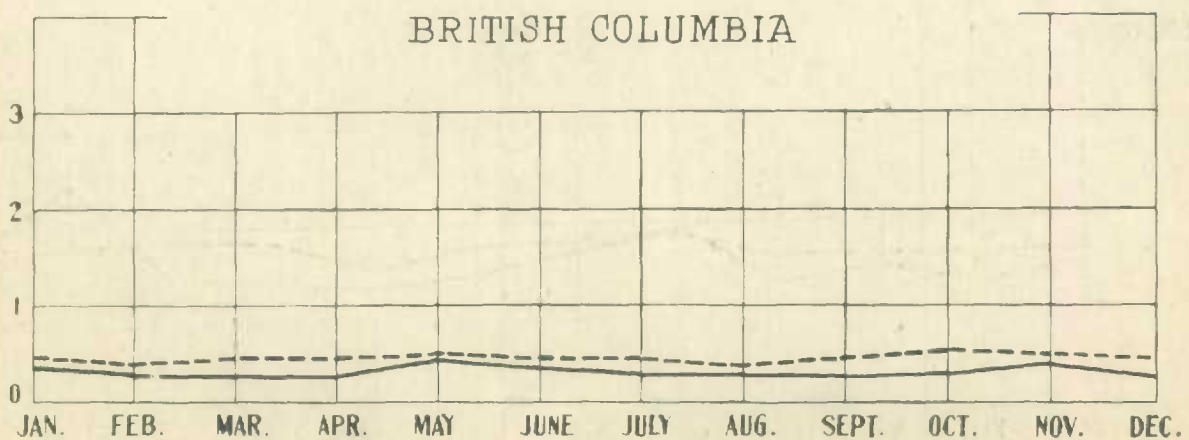
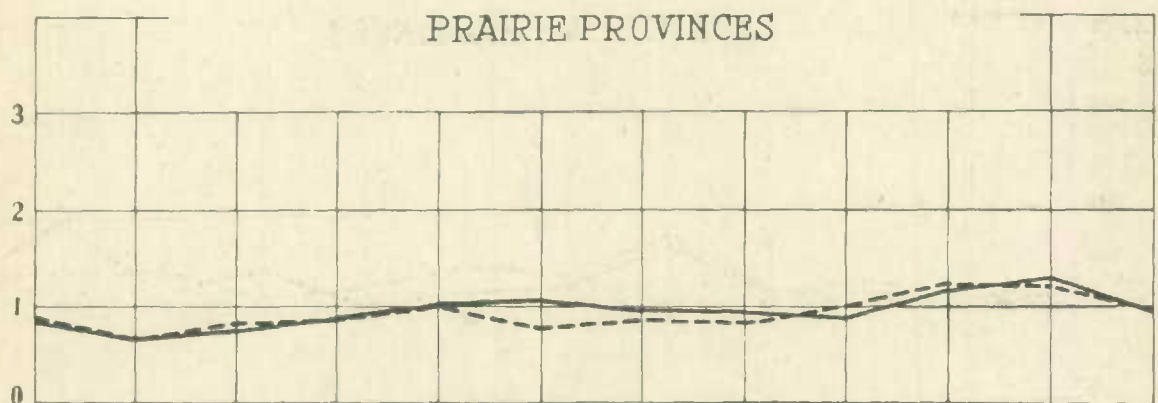
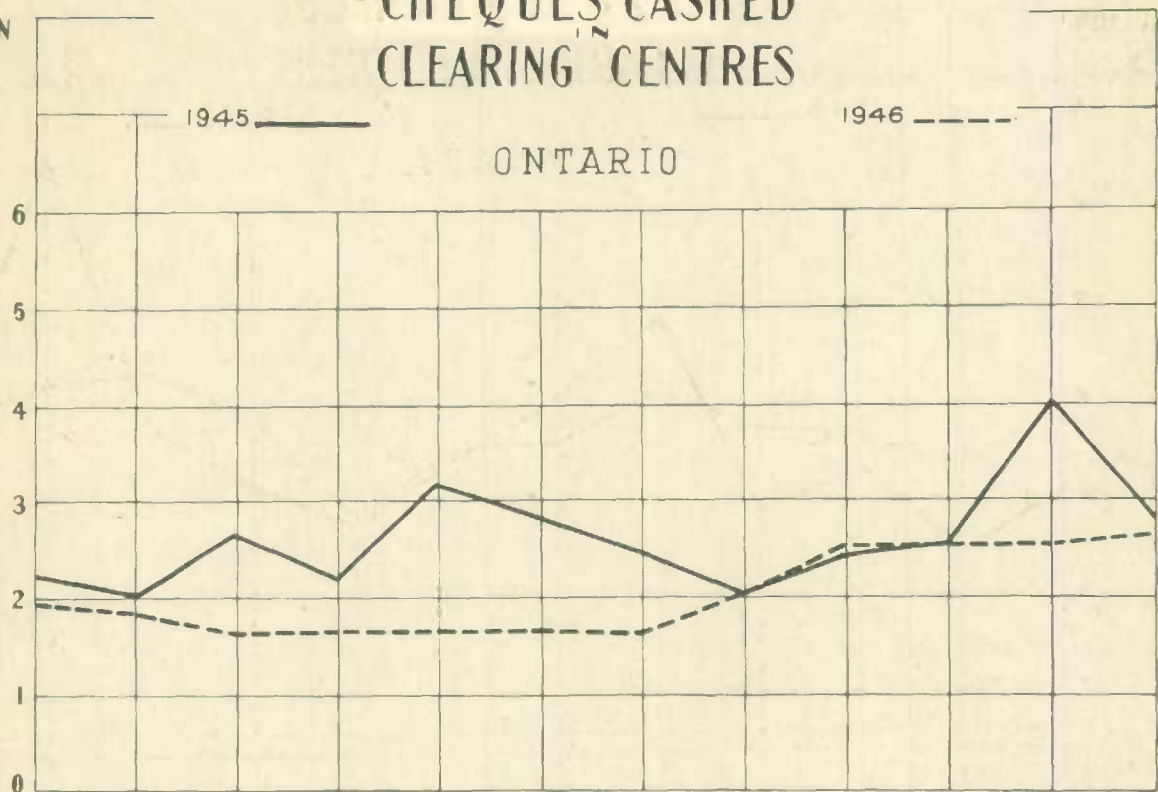
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② CHEQUES CASHED
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