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CHEQUES CASHED
AND
MONEY SUPPLY
APRIL, 1946



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Sydney B. Smith, M.A.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, APRIL, 1946

Financial transactions in the form of cheques cashed at branch banks rose sharply in April over the same month of last year. The increase of 18.9 per cent reflected greater economic activity at somewhat higher prices. The total in April was \$5,775 million compared with \$4,855 in the same month one year ago.

Speculative activity contributed to the higher levels of financial transactions, the index of common stock prices having been 124.5 in the last week of April compared with 94.2 in the same month last year. Speculative trading was at a much higher level. Wholesale prices and the cost of living showed moderate advances, while productive operations due to the termination of hostilities were at a somewhat lower position.

Comparison with April, 1945.

Two out of three centres in the Maritime Provinces recorded an increase over last year in the amount of cheques cashed. Minor recession was shown in Halifax where debits in April were \$59.5 million. The total for the Maritimes rose from \$116.6 million to \$117.8 million, a gain of 1.1 per cent. The increase in the province of Quebec was 20.4 per cent, gains having been shown in each of the three centres. Debits in Montreal rose from \$1,207 million to \$1,465 million. The total for the province was \$1,610 million compared with \$1,338 million.

Eleven out of fourteen centres in Ontario recorded increases in April over the same month of last year. The advance was no less than 24.6 per cent, the total for the province having been \$2,742 million. A marked gain was shown in Toronto where the cheques cashed moved up from \$1,121 million to \$1,668 million. Declines were shown in Fort William, Ottawa, and Sarnia.

The Prairie Provinces showed a minor reduction in cheques cashed, the total in April having been \$861 million compared with \$896 million. The indicated recession was nearly 4 per cent. Six of the ten centres recorded gains over the same month of last year. Recessions were shown in Winnipeg, Calgary, Edmonton, and Brandon. The total in Winnipeg was \$492 million against \$533 million in April last year. British Columbia recorded a percentage increase greater than that of any other economic area. Advances were shown in each of the three clearing centres. The total for Vancouver moved up from \$244 million to \$364 million. The advance in the aggregate of the province was 46 per cent, the total in April having been \$443 million.

Comparison with the First Four Months of 1945.

Cheques cashed in Canada during the first four months of 1946 amounted to \$22,779 million compared with \$19,688 million. The increase in the Dominion total was 15.7 per cent and gains were shown in each of the five economic areas. The advance in the Maritime Provinces was 7.3 per cent, the total in April having been \$471 million.

An appreciable increase was shown in Quebec, the rise having been from \$5,718 million to \$6,511 million. The advance amounted to nearly 14 per cent or \$793 million.

The absolute increase in Ontario was greater than in any other of the five economic areas, the total having been \$10,801 million against \$9,148 million. The consequent increase was \$1,653 million or 18 per cent.

The total for the Prairie Provinces showed a gain of 3.4 per cent over the relatively high level of 1945. The total in the first four months of the present year was \$5,265 million, a gain of \$107 million or 3.4 per cent. The greatest percentage increase of any of the five economic areas was shown in British Columbia where the total rose 41.3 per cent to \$1,733 million. The increase over the same period of last year was \$506 million.

Long Term Comparison.

The Dominion total was higher in the first four months of the present year than in any similar period since statistics were first collected in 1924, consecutive increases having been shown year by year since 1933. The total in that year was \$9,393 million which may be compared with \$22,772 million reached in the present year. Cheques cashed in Canada in 1929, the culmination of the last major economic cycle, were \$15,123 million, an increase of nearly 50 per cent.

A new maximum was shown in each of the five economic areas except the Prairie Provinces. Advances were recorded in the Maritimes year by year from 1939 to the present. The total in the first four months of 1946 was \$471 million compared with \$256 million in 1929 when economic conditions were particularly active. The standing in 1945, the previous maximum, was \$439 million.

Cheques cashed in the province of Quebec recorded advances year by year from 1941 to the present. The increase over 1929 was from \$5,369 million to \$6,511 million. The aggregate for Ontario exceeded \$10 billion for the first time during the period of observation from 1924 to the present. The total of \$10,801 million showed a marked advance over the \$6,194 million recorded for 1929.

The Prairie Provinces while showing an increase in bank debits over 1945, reached a level somewhat below that of 1944. The total in the latter year was \$3,425 million while that of the first four months was \$3,265 million. This may be compared with \$2,263 million reached in 1929. The total for British Columbia advanced year by year from 1933 to the present. The total was \$1,733 million in 1946 compared with \$1,042 million in 1929.

Turnover of Current and Savings Accounts.

Cheques cashed against current accounts in April amounted to \$5,446 million. The Dominion and Provincial balances and demand deposits were \$2,611 million at the beginning of the month and the indicated turnover obtained by dividing the cheques cashed by deposits was 2.09. In the same month of last year the turnover was only slightly less at 2.03. At that time the current deposits consisting of Dominion and Provincial balances and demand accounts was \$2,214 million. Cheques cashed against notice deposits amounted to \$323 million in April. The notice accounts reached an extremely high level of \$5,170 million at the beginning of the month. The indicated turnover was .104 compared with .096 in the same month of last year.

Money Supply.

The money supply at the end of March was \$7,034 million, showing a recession from February, when the total was \$7,126.4 million. A marked increase, however, was shown over the corresponding total of last year which reached \$6,036 million. The main component of money supply in Canada is bank deposits with the chartered banks and with the Bank of Canada. For this purpose the balances of the Dominion and Provincial Governments and the demand and notice accounts placed with the chartered banks, are included. The Dominion Government, and accounts other than of the chartered banks, deposited with the Bank of Canada, are also taken account of. The total deposits computed in this manner rose from \$5,009.3 in March last year to \$6,019.5 in the period under review.

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

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS			
Province and Clearing House Centres	April 1 9 4 6	March 1 9 4 6	April 1 9 4 5
	\$	\$	\$
Maritime Provinces			
Halifax	59,559,151	62,617,489	59,737,006
Moncton	20,984,560	21,702,403	19,758,053
Saint John	37,307,552	39,343,550	37,056,284
Total - Maritime Provinces ..	117,851,263	123,663,442	116,551,343
Quebec -			
Montreal	1,465,463,805	1,502,848,508	1,206,865,300
Quebec	129,047,276	120,579,639	117,735,794
Sherbrooke	15,842,084	14,901,515	12,996,567
Total - Quebec	1,610,555,165	1,638,329,662	1,337,595,661
Ontario -			
Brantford	22,552,161	21,254,979	20,485,075
Chatham	12,445,327	13,598,504	12,139,153
Fort William	13,267,106	14,198,856	13,899,138
Hamilton	110,828,892	106,091,616	100,240,044
Kingston	16,599,930	16,807,964	12,375,500
Kitchener	27,703,381	27,627,970	22,596,225
London	71,671,565	72,621,086	50,859,827
Ottawa	657,203,572	613,876,966	709,699,754
Peterborough	16,848,251	14,127,404	13,873,847
St. Catharines	19,589,045	18,731,494	18,184,877
Sarnia	16,722,956	18,507,786	20,769,887
Sudbury	11,520,557	11,446,880	10,375,837
Toronto	1,668,097,706	1,651,235,079	1,121,002,145
Windsor	76,914,858	73,751,692	74,597,240
Total - Ontario	2,741,765,287	2,673,378,276	2,201,148,549
Prairie Provinces -			
Brandon	7,767,099	6,839,798	7,826,669
Calgary	111,349,437	113,577,396	117,420,953
Edmonton	95,445,413	136,962,256	94,078,148
Lethbridge	12,240,005	11,712,722	10,074,745
Medicine Hat	6,077,789	5,735,134	5,209,284
Moose Jaw	15,921,802	15,192,458	14,274,555
Prince Albert	8,741,071	8,317,109	7,304,114
Regina	83,942,482	64,303,951	83,552,711
Saskatoon	29,709,379	28,987,898	23,086,448
Winnipeg	492,095,429	413,996,863	533,312,365
Total - Prairie Provinces ...	861,289,906	805,625,655	896,139,992
British Columbia -			
New Westminster	18,225,126	17,766,435	14,714,375
Vancouver	364,191,491	364,619,262	243,870,222
Victoria	61,005,543	54,288,227	45,084,801
Total - British Columbia ...	443,420,160	436,673,924	303,669,398
GRAND TOTAL FOR CANADA	5,774,659,781	5,678,170,939	4,855,104,943

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

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	April, 1946	March, 1946	April, 1946	March, 1946
	\$	\$	\$	\$
Maritime Provinces ...	110,685,159	116,614,434	7,146,104	7,049,008
Quebec	1,522,284,003	1,524,566,222	88,069,162	113,763,440
Ontario	2,604,039,089	2,538,806,181	137,726,198	135,072,095
Prairie Provinces ..	810,870,930	763,479,627	50,418,976	42,146,008
British Columbia ...	398,619,420	395,787,007	44,800,740	40,886,917
GRAND TOTAL FOR CANADA	5,446,498,601	5,339,253,471	328,161,180	338,917,468
Cumulative Totals	First Four Months of 1946	First Four Months of 1945	Increase (+) Decrease (-)	Percentage of 1946 to 1945.
Maritime Provinces ..	471,042,570	438,814,272	+ 32,228,298	107.3
Quebec	6,511,373,525	5,718,120,051	+ 793,253,474	115.9
Ontario	10,801,174,795	9,148,325,559	+ 1,652,849,236	118.1
Prairie Provinces ...	3,262,770,599	3,155,701,502	+ 107,069,097	103.4
British Columbia	1,733,044,140	1,226,606,618	+ 506,437,522	141.3
GRAND TOTAL FOR CANADA	22,779,405,629	19,687,568,002	+ 3,091,837,627	115.7

TABLE 3 - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted Economic Indexes	1 9 4 5				1 9 4 6			
	March	April	Nov.	Dec.	Jan.	Feb.	March	April
Bank Debits, 1935-39=100	210.8	186.7	283.5	206.1	227.8	213.7	224.6	222.1
Physical Volume of Business .	225.2	232.2	189.9	193.0	195.4	181.2	191.4	-
Common Stocks, 1935-39=100 .	93.2	94.2	107.2	112.5	123.5	121.8	119.2	-
Cost of Living, 1935-39=100 .	118.7	118.7	119.9	120.1	119.9	119.9	120.1	120.8
Employment in manufacturing 1926=100	218.9	214.4	184.5	186.2	192.6	189.7	186.4	-
Wholesale Prices, 1926=100 ..	103.0	103.4	103.1	103.2	104.0	104.6	104.9	-

TABLE 4 - MONEY SUPPLY - Millions of Dollars

	1 9 4 5			1 9 4 6		
	March	Nov.	Dec.	Jan.	Feb.	March
<u>Circulating Media</u>						
Bank Notes in Circulation -						
Bank of Canada	1,048.7	1,113.8	1,129.1	1,088.1	1,086.7	1,102.2
Chartered Banks	30.6	26.1	25.7	25.2	24.8	24.5
Notes in hands of public ...	965.9	998.6	992.0	966.1	976.9	1,002.0
Subsidiary coin in hands of public	60.3	63.1	63.0	61.2	61.5	62.8
Total Circulating Media in hands of public (M)	1,026.3	1,061.6	1,055.0	1,027.3	1,038.4	1,064.7
<u>Deposits</u>						
Deposits with Chartered Banks						
Dominion Government	159.8	1,053.1	922.1	795.5	650.7	517.6
Provincial Government	119.2	97.6	91.1	103.6	105.9	108.1
Demand	1,934.8	2,046.4	2,062.9	1,948.5	1,995.4	1,985.3
Notice	2,724.7	2,816.2	2,865.3	2,962.9	3,078.0	3,170.2
Total	4,938.4	6,013.2	5,941.4	5,810.5	5,829.9	5,781.2
Deposits with Bank of Canada						
Dominion Government	18.7	159.1	153.3	187.2	201.7	149.2
Other	32.7	27.4	29.8	34.2	56.4	39.1
Total	71.3	186.5	183.1	221.4	258.1	238.3
Total Deposits (M1)	5,009.8	6,199.7	6,124.5	6,031.8	6,088.0	6,019.5
Money Supply (M + M1)	6,036.0	7,261.3	7,179.5	7,059.1	7,126.4	7,084.2

TABLE 5 - CHEQUES CASHED IN CLEARING CENTRES, FIRST FOUR MONTHS - 1924 - 1946.

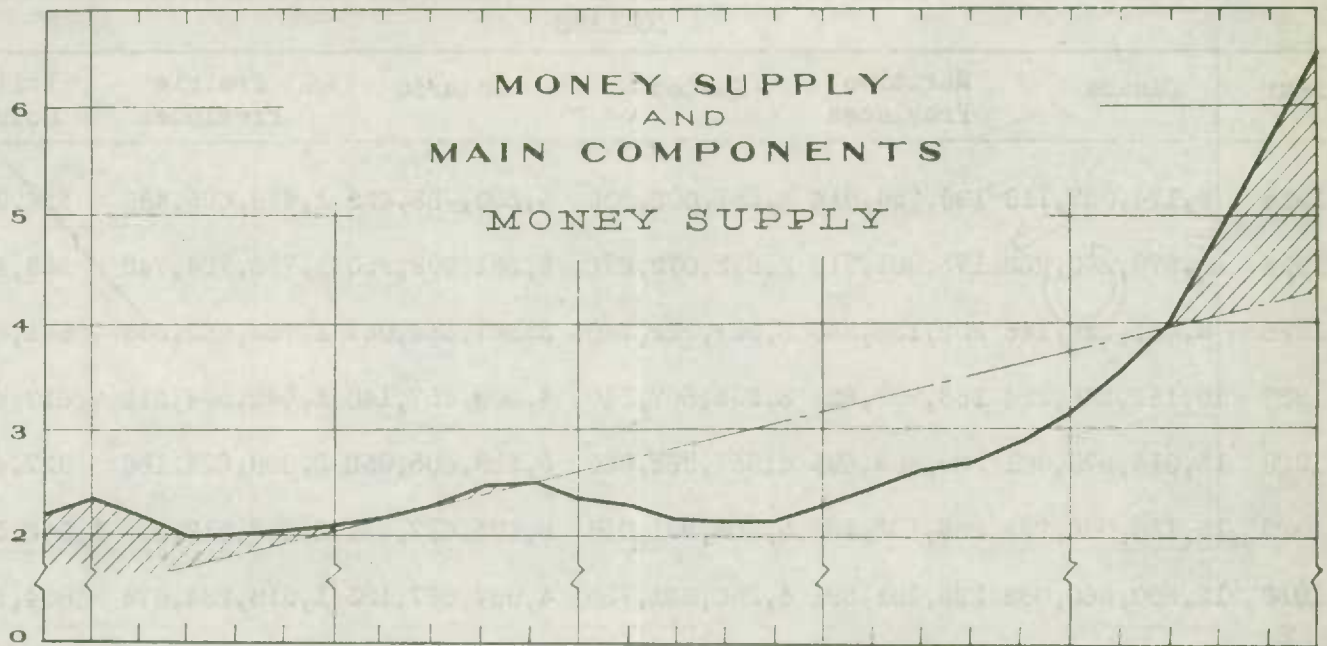
DOLLARS						
Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1924	8,174,097,118	198,754,814	2,551,002,305	3,390,763,425	1,478,665,486	554,911,088
1925	8,379,240,232	173,901,710	2,572,072,272	3,351,098,950	1,733,764,742	568,402,558
1926	9,441,224,145	202,135,536	3,027,222,740	3,847,336,037	1,722,662,388	641,867,444
1927	10,152,246,224	188,797,622	3,593,567,340	4,309,857,140	1,642,594,212	617,429,910
1928	13,014,578,801	229,889,695	4,557,962,635	5,329,605,952	2,069,624,166	827,496,353
1929	15,128,086,222	256,132,458	5,368,501,038	6,193,617,334	2,267,512,896	1,042,322,496
1930	12,200,560,088	223,181,591	4,256,831,756	4,997,667,123	1,918,284,374	804,594,744
1931	10,560,002,823	212,143,054	3,674,668,448	4,558,568,935	1,493,582,257	621,020,129
1932	8,159,024,078	171,754,266	2,476,432,966	3,570,341,522	1,420,325,308	519,570,016
1933	7,563,229,370	139,608,228	2,223,510,177	3,321,595,894	1,447,610,134	430,904,937
1934	9,711,622,591	158,726,231	2,951,545,715	4,691,607,926	1,374,209,584	535,533,135
1935	9,373,616,114	162,692,348	2,715,199,323	4,456,592,453	1,515,146,745	523,985,240
1936	11,132,084,560	188,402,809	3,444,511,116	4,856,256,126	1,972,925,662	669,988,847
1937	12,525,326,097	254,317,623	4,156,255,630	5,867,089,184	1,523,702,649	723,961,011
1938	9,392,623,243	197,633,801	2,988,206,424	4,431,740,747	1,183,007,866	592,034,405
1939	9,463,014,943	190,634,750	3,128,034,115	4,313,272,410	1,179,324,560	651,749,108
1940	10,980,510,379	266,332,874	3,348,237,111	4,852,543,683	1,831,988,041	701,353,670
1941	11,303,597,922	278,029,525	3,123,071,444	5,428,236,101	1,764,220,760	709,990,092
1942	14,033,701,432	345,972,787	3,899,120,701	6,910,712,067	2,001,710,428	876,185,449
1943	15,694,067,229	355,248,640	4,600,898,857	7,425,585,732	2,366,538,296	945,745,704
1944	18,055,044,182	386,653,024	5,036,037,124	8,029,104,853	3,425,412,803	1,177,836,398
1945	19,637,568,002	438,814,272	5,718,120,051	9,148,225,559	3,155,701,502	1,226,606,618
1946	22,779,405,629	471,042,570	6,511,373,525	10,801,174,795	3,262,770,599	1,733,044,140

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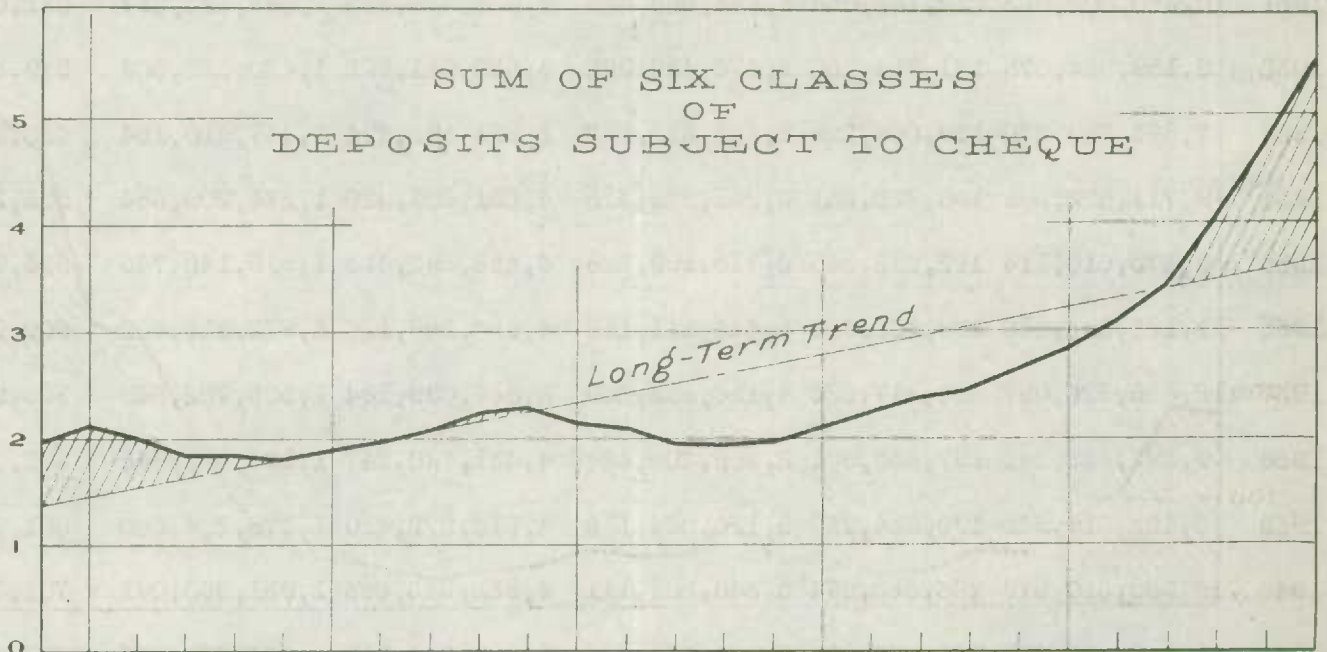
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MONEY SUPPLY AND MAIN COMPONENTS

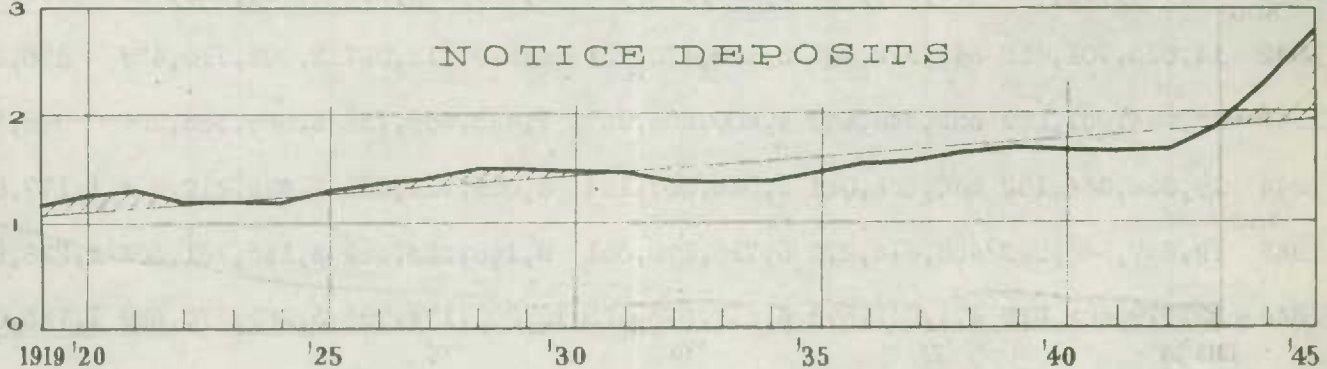
MONEY SUPPLY



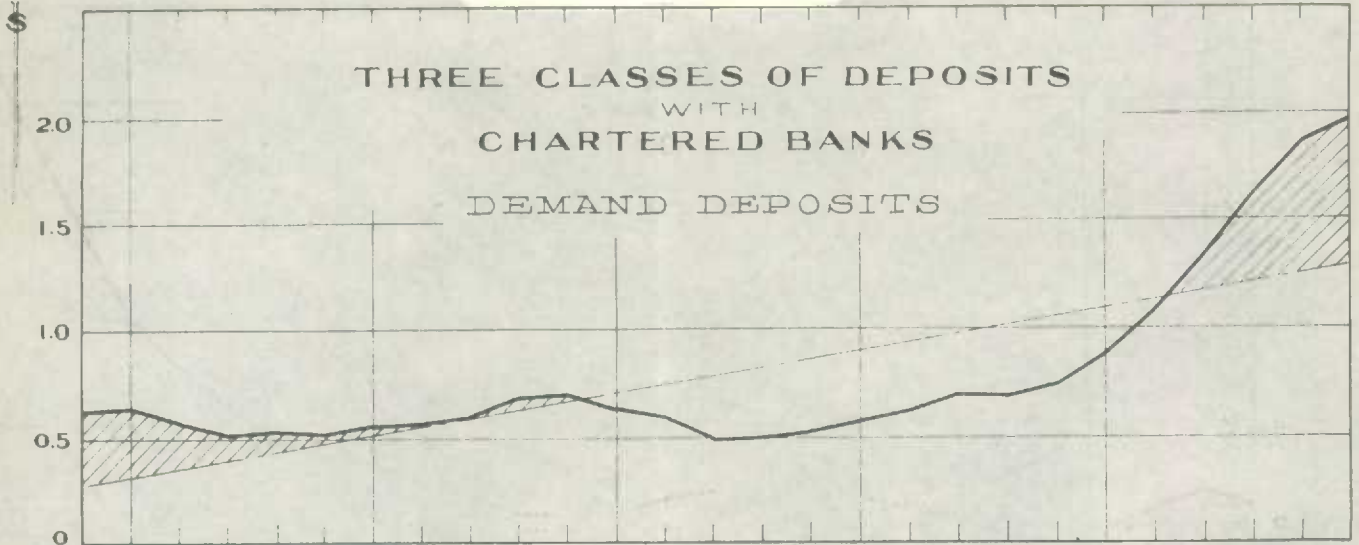
SUM OF SIX CLASSES OF DEPOSITS SUBJECT TO CHEQUE



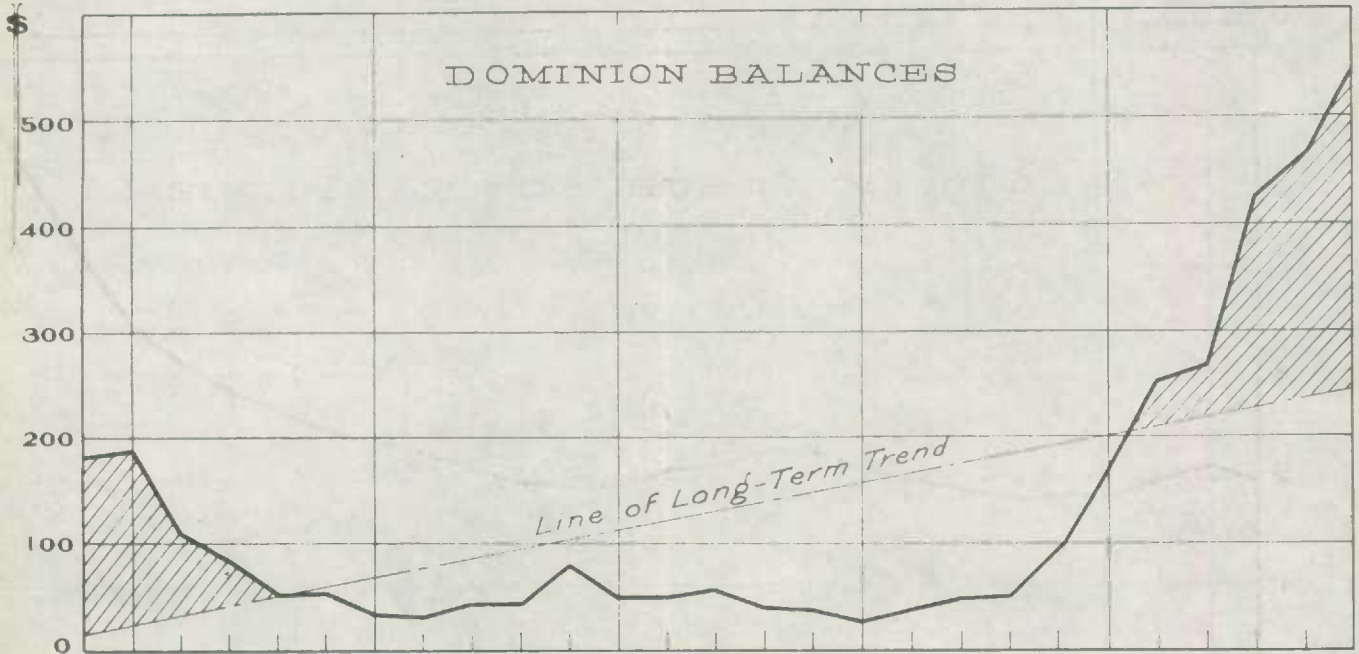
NOTICE DEPOSITS



BILLION



MILLION



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PROVINCIAL BALANCES

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