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CHEQUES CASHED

AND

MONEY SUPPLY

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Chief, Business Statistics Branch:

Herbert Marshall, B.A., F.S.S.
Sydney B. Smith, M.A.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, JUNE, 1946

Cheques cashed in the clearing centres of Canada were considerably greater in the first half of the present year than in the same period of 1945. The total was \$34.5 billion against \$32.7 billion, the increase having been 5.6 p.c. Advances were recorded in each of the five economic areas except the Prairie Provinces. The greatest percentage increase was shown in British Columbia where business transactions of this class were nearly a third greater than in the same period of last year.

Cheques cashed in the Maritime Provinces rose 8.3 p.c. over the high level of the first half of 1945. Cheque transactions in Quebec were \$10.2 billion, an increase of 8.9 p.c. The absolute increase in Quebec was greater than in any other economic area. The total in Ontario was \$15.8 billion, the increase having amounted to 4.2 p.c. Cheques cashed in the Prairie Provinces were 6.3 p.c. less in the elapsed portion of 1946. The total was \$5,069 million compared with \$5,407 million. Cheques cashed in British Columbia were nearly a third greater than in the same period of 1945. The total was \$2,662 million compared with \$2,022 million. The absolute increase was nearly as great as that of Ontario.

Cheques Cashed in June Compared with the same Month of 1945, -

The majority of the centres recorded an increase in cheques cashed in June over the same month of last year. Twenty-five of the centres showed gains compared with the eight centres recording a lower level. The total for Canada was \$5,609 million against \$6,086 million in June last year. Increases were shown in the Maritime Provinces, Quebec and British Columbia, while a decline was recorded for Ontario and the Prairie Provinces.

The increase in the Maritime Provinces was more than 14 p.c., advances having been shown in each of the clearing centres. The total was \$139 million compared with \$122 million in June, 1945. The aggregate for the Province of Quebec, \$1,801 million compared with \$1,705 million. The increase of 5.6 p.c. reflected mainly the advance in the business transactions of Montreal. Increases were also shown, however, in Quebec and Sherbrooke.

Nine of the fourteen centres in Ontario recorded advances over the same month of last year. The totals for Ottawa and Toronto were at considerably low levels, the decline in these cities being the main influence in reducing the Provincial total by about 13 p.c. The aggregate for the Province was \$2,445 million compared with \$2,817 million.

Seven of the ten centres in the Prairie Provinces recorded increases but the decline in three centres more than counter-balanced the upward movement in the majority of cities. Declines were shown in Edmonton, Regina and Winnipeg. The aggregate for the three Provinces was \$796 million against \$1,089 million in June last year, a decline of 27 p.c. Marked increases were shown in each of the three centres in British Columbia, the total for the Province rising about 22 p.c. The Vancouver cheques cashed rose from \$288 million to \$341 million.

Cheques Cashed against Current and Savings Accounts, -

The turnover of current deposits receded from 2.16 in May to 2.04 in June, while Dominion and Provincial balances and demand deposits receded from \$2,660 million to \$2,576 million. The cheques cashed declined in greater proportion. The turnover of

savings accounts was also at a lower position in the latest available period. The notice deposits rose from \$3,238 million to \$3,306 million whereas the cheques cashed against such deposits receded from \$360 million to \$343 million.

Comparison with Other Factors, -

The index of bank debits after seasonal adjustment receded from 206 in June, 1945 to 190.2, a decline being also shown from May of the present year. The factors indicating the volume of business receded from June of last year. The indexes of the physical volume of business and of employment in manufacturing plants were at a considerably lower level due mainly to the termination of war production. Factors indicating the trend of prices on the other hand were at a higher level. The index of common stock prices advanced from 97.2 in May last year to 124.4 in the same month of this year, while more moderate advances were shown in wholesale prices and cost of living.

Money Supply,-

The money supply which had been \$6,679 million in May last year rose to \$7,106 million in the corresponding month of 1946. A recession, however, was shown from the preceding month when the total was \$7,190 million. Six classes of deposits with the chartered banks and the Bank of Canada showed an increase from \$5,682 million at the end of May, 1945, to \$6,047 million on the same date of this year. The four classes of deposits with the chartered banks taken into consideration are the Dominion and Provincial balances and the demand and notice deposits. The deposits with the Bank of Canada held for the Dominion Government and other parties exclusive of the chartered banks are also included. The notes in the hands of the public were \$995.6 million at the end of May compared with \$937.2 million on the same date of last year. The subsidiary coin in the hands of the public was \$62.7 million compared with \$59.8 million one year ago. The three categories of deposits, bank notes and coin constitute the money supply.

Long Term Comparisons,-

Statistics of cheques cashed in Canada and in five economic areas are presented in Table 5 by half-years for the period from 1924 to 1946. In each of the five areas marked increases are shown in the last six months over the transactions of 1929, the culmination of the last major economic cycle. An increase of 51 p.c. was shown in the country-wide debits. The Maritime Provinces, Ontario and British Columbia recorded a greater percentage increase than the Dominion totals. The cheques cashed in the Maritime Provinces were more than twice as great, while increases of 74 p.c. and 66 p.c. were shown in British Columbia and Ontario. The gains in the Prairie Provinces and Quebec were 43.5 p.c. and 29 p.c. respectively.

Marked increases were shown in the first six months of 1946 over the same period of 1938, the last full peace-time year. The Canadian total was more than two and one-third times greater. The total for British Columbia was nearly three times as great, while increases of 176 p.c. and 131 p.c. were shown in the Prairie Provinces and in Ontario. The gain in Quebec over the first half of 1938 was 117 p.c. The two charts of this number portray the trend of debits in six centres from 1924 to 1945 and other centres will be presented in following issues.

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

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS

Province and Clearing House Centres	June 1 9 4 6	May 1 9 4 6	June 1 9 4 5
	\$	\$	\$
Maritime Provinces -			
Halifax	76,641,539	112,970,039	68,713,264
Moncton	22,428,950	24,231,717	19,763,301
Saint John	39,876,097	38,831,478	33,203,484
Total - Maritime Provinces ..	138,946,586	176,033,234	121,680,049
Quebec -			
Montreal	1,640,858,472	1,730,373,756	1,556,314,941
Quebec	143,337,701	137,421,188	134,592,987
Sherbrooke	17,049,746	16,939,326	14,433,394
Total - Quebec	1,801,245,919	1,884,734,270	1,705,341,322
Ontario -			
Brantford	21,904,524	24,490,572	22,483,428
Chatham	14,182,036	14,983,188	12,403,015
Fort William	14,221,294	14,628,735	13,903,129
Hamilton	114,045,190	125,334,596	112,975,513
Kingston	15,160,795	17,413,846	13,488,613
Kitchener	30,667,666	33,280,359	25,252,841
London	84,023,834	74,350,043	72,055,721
Ottawa	316,493,227	411,328,120	506,454,253
Peterborough	17,007,962	17,419,349	14,147,441
St. Catharines	21,481,700	21,421,793	22,109,910
Sarnia	21,836,415	18,505,802	20,502,461
Sudbury	12,969,643	13,039,973	10,087,045
Toronto	1,677,215,157	1,671,916,423	1,882,125,695
Windsor	81,631,252	85,831,158	89,119,997
Total - Ontario	2,444,840,695	2,543,943,957	2,817,109,062
Prairie Provinces -			
Brandon	7,673,441	8,889,360	6,818,458
Calgary	123,489,944	124,600,098	116,896,977
Edmonton	73,150,759	99,759,059	79,667,343
Lethbridge	11,358,179	11,877,460	9,154,494
Medicine Hat	5,773,146	5,868,676	4,827,975
Moose Jaw	14,862,664	14,582,931	13,906,574
Prince Albert	8,264,933	8,473,166	6,359,924
Regina	66,660,955	80,699,739	85,653,124
Saskatoon	28,565,618	30,259,190	23,145,016
Winnipeg	455,886,541	625,935,914	742,892,764
Total - Prairie Provinces	795,686,180	1,010,945,593	1,089,322,649
British Columbia -			
New Westminster	21,250,185	19,589,702	15,011,057
Vancouver	340,749,333	379,903,572	287,800,378
Victoria	66,700,888	100,492,546	49,309,951
Total - British Columbia	428,700,406	499,985,820	352,121,386
GRAND TOTAL FOR CANADA	5,609,419,786	6,115,642,874	6,085,574,468

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

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	June, 1946	May, 1946	June, 1946	May, 1946
	\$	\$	\$	\$
Maritime Provinces ...	131,093,073	137,307,395	7,853,513	8,425,839
Quebec	1,709,076,386	1,770,872,959	92,169,533	104,861,311
Ontario	2,294,609,359	2,393,094,800	150,231,356	150,849,157
Prairie Provinces	752,983,945	962,097,829	42,702,235	48,847,764
British Columbia	378,803,008	453,022,444	43,897,100	46,963,376
GRAND TOTAL FOR CANADA	5,266,565,771	5,755,695,427	342,854,015	359,947,447
Cumulative Totals	First half year of 1946	First half - year of 1945	Increase (+) Decrease (-)	Percentage of 1946 to 1945
Maritime Provinces ...	786,022,390	725,659,338 +	60,363,052	108.3
Quebec	10,197,353,714	9,364,105,225 +	833,248,489	108.9
Ontario	15,789,959,447	15,147,937,077 +	642,022,370	104.2
Prairie Provinces	5,069,402,372	5,407,461,241 -	338,058,869	93.7
British Columbia	2,661,730,366	2,021,971,189 +	639,759,177	131.6
GRAND TOTAL FOR CANADA	34,504,468,289	32,667,134,070 +	1,837,334,219	105.6

TABLE 3 - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted	1 9 4 5				1 9 4 6			
	May	June	Dec.	Jan.	Feb.	March	April	May
Economic Indexes								
Bank Debits, 1935-39=100 ...	232.6	206.3	206.1	227.8	218.7	224.6	222.1	206.4
Physical Volume of Business.	218.6	219.5	193.0	195.4	181.2	191.4	192.8	184.3
Common Stocks, 1935-39=100 .	97.2	102.5	112.5	123.5	121.8	119.2	125.1	124.4
Cost of Living, 1935-39=100.	119.0	119.6	120.1	119.9	119.9	120.1	120.8	122.0
Employment in Manufacturing								
1926=100	208.7	204.9	186.2	192.6	190.2	186.5	186.3	184.4
Wholesale Prices, 1926=100 .	103.6	104.0	103.9	104.6	105.2	105.6	108.2	108.6

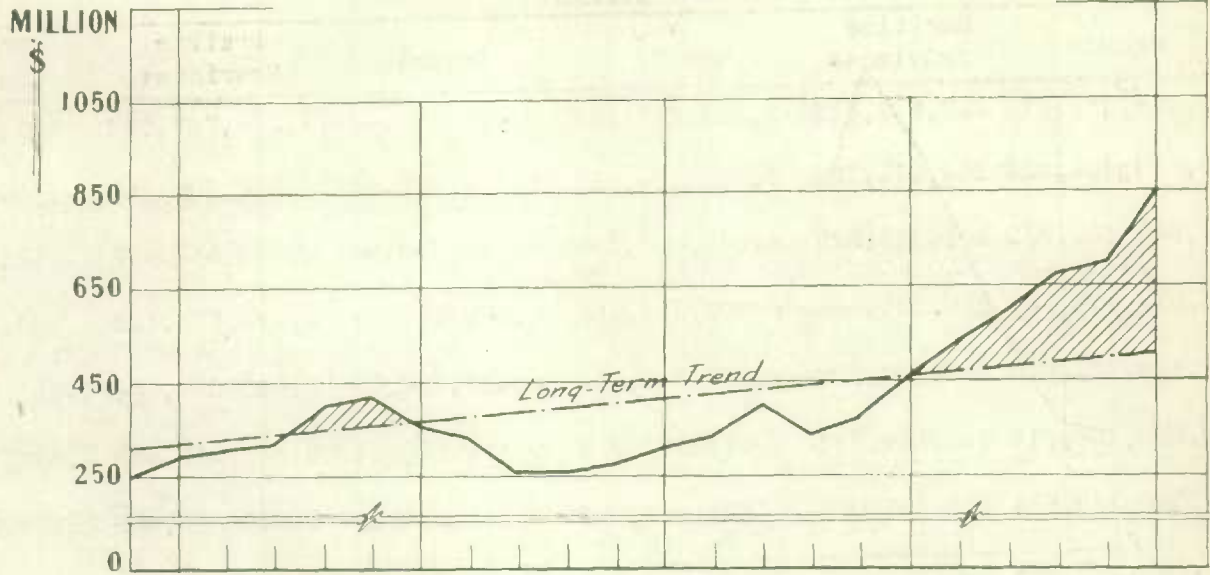
TABLE 4 - MONEY SUPPLY - Millions of Dollars

	1	9	4	5		1	9	4	6
	May	June	Jan.	Feb.		March	April	May	
<u>Circulating Media</u>									
Bank Notes in Circulation -									
Bank of Canada	1,055.8	1,063.2	1,088.1	1,086.7	1,102.2	1,114.4	1,109.5		
Chartered Banks	29.4	28.7	25.2	24.8	24.5	24.1	23.7		
Notes in hands of public.	937.2	970.2	966.1	976.9	1,002.0	984.0	995.6		
Subsidiary coin in hands of public	59.8	61.4	61.2	61.5	62.8	62.0	62.7		
Total Circulating Media in hands of public (M) ..	997.0	1,031.6	1,027.3	1,038.4	1,064.7	1,046.0	1,058.4		
<u>Deposits</u>									
Deposits with Chartered Banks									
Dominion Government	1,168.1	934.2	795.5	650.7	517.6	359.6	248.6		
Provincial Government ...	92.4	102.7	103.6	105.9	108.1	122.3	120.2		
Demand	1,792.4	1,857.3	1,948.5	1,995.4	1,985.3	2,178.5	2,207.0		
Notice	2,562.9	2,645.5	2,362.9	2,078.0	2,170.2	2,237.5	2,305.7		
Total	5,615.8	5,539.8	5,810.5	5,829.9	5,781.2	5,897.9	5,881.5		
Deposits with Bank of Canada									
Dominion Government	23.6	43.9	187.2	201.7	149.2	183.3	87.1		
Other	22.4	35.9	34.2	56.4	89.1	62.7	78.4		
Total	66.0	79.8	221.4	258.1	238.3	246.0	165.6		
Total Deposits (M)	5,681.9	5,619.6	6,031.8	6,088.0	6,019.5	6,143.9	6,047.1		
Money Supply (M + M)	6,678.9	6,651.2	7,059.3	7,126.4	7,084.2	7,189.8	7,105.5		

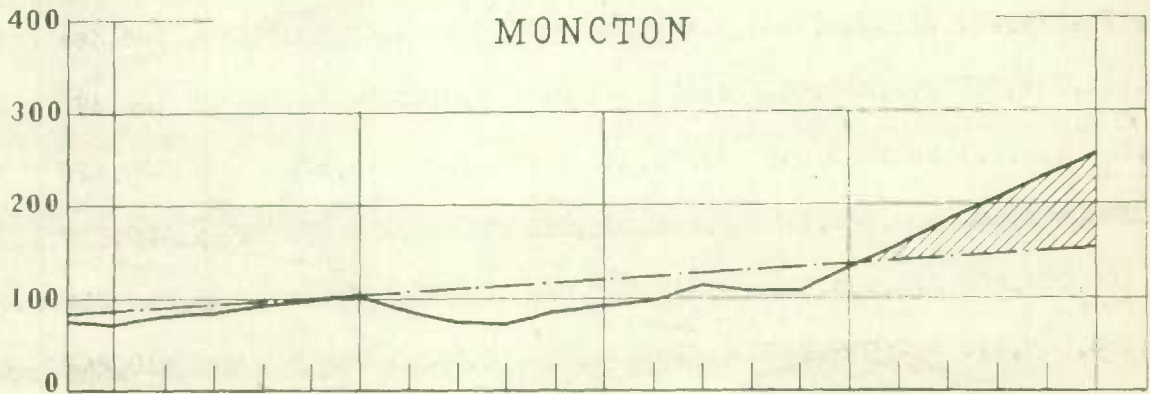
TABLE 5 - CHEQUES CASHED IN CLEARING CENTRES, FIRST SIX MONTHS - 1924 - 1946.

DOLLARS						
Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1924	12,411,287.515	297,803,312	3,824,747,189	5,096,436,485	2,364,757,632	827,542,897
1925	12,812,264,504	269,041,752	3,899,799,963	5,199,568,827	2,577,294,986	866,558,976
1926	14,540,656,730	301,953,529	4,597,025,536	6,010,765,456	2,675,331,452	955,580,757
1927	16,018,185,734	289,731,659	5,493,202,486	6,702,139,891	2,566,873,405	966,238,293
1928	21,125,932,010	362,690,309	7,559,751,044	8,527,462,358	3,444,037,538	1,231,990,761
1929	22,835,608,215	386,504,992	7,878,275,584	9,511,588,169	3,532,047,996	1,527,191,474
1930	19,025,169,814	345,181,002	6,692,407,007	7,763,045,849	3,006,686,725	1,217,849,231
1931	16,425,144,294	325,540,016	5,690,953,637	7,123,493,147	2,362,208,258	922,949,236
1932	12,536,993,390	264,527,910	3,846,040,145	5,482,129,003	2,175,722,835	768,573,497
1933	13,195,271,981	226,055,135	3,823,504,347	5,854,301,495	2,591,106,368	700,304,636
1934	15,442,712,269	249,038,840	4,553,941,818	7,138,804,527	2,706,864,386	794,062,698
1935	15,216,135,721	262,825,095	4,379,880,552	7,080,079,522	2,696,220,435	797,130,117
1936	17,246,852,587	300,965,116	5,256,266,771	7,585,114,670	3,102,480,617	1,002,025,413
1937	18,186,007,802	371,303,143	5,932,431,680	8,463,665,024	2,349,504,892	1,069,103,063
1938	14,585,068,319	306,079,817	4,695,354,069	6,850,827,040	1,839,310,896	893,496,497
1939	15,133,303,510	309,608,139	4,941,994,526	6,889,973,802	2,005,274,569	986,452,474
1940	17,001,690,535	400,016,776	5,070,782,622	7,488,653,490	2,997,221,817	1,045,015,830
1941	18,810,099,627	449,532,487	5,220,758,408	8,923,542,934	3,047,813,957	1,168,451,841
1942	21,591,707,316	525,328,481	5,930,542,825	10,686,169,574	3,123,811,999	1,325,854,439
1943	25,467,386,543	604,021,298	7,309,699,049	12,016,508,449	3,978,675,193	1,558,482,554
1944	29,927,013,177	635,892,074	8,539,183,552	13,332,017,828	5,523,707,448	1,896,212,275
1945	32,667,134,070	725,659,338	9,364,105,225	15,147,937,077	5,407,461,241	2,021,971,189
1946	34,504,468,289	786,022,390	10,197,353,714	15,789,959,447	5,369,402,372	2,681,750,366
Percentage increase of 1946 over 1929 and 1938.						
p.c. to 1929	+ 51.1	+ 103.4	+ 29.4	+ 66.0	+ 43.5	+ 74.3
p.c. to 1938	+ 136.6	+ 156.8	+ 117.2	+ 130.5	+ 175.6	+ 197.9

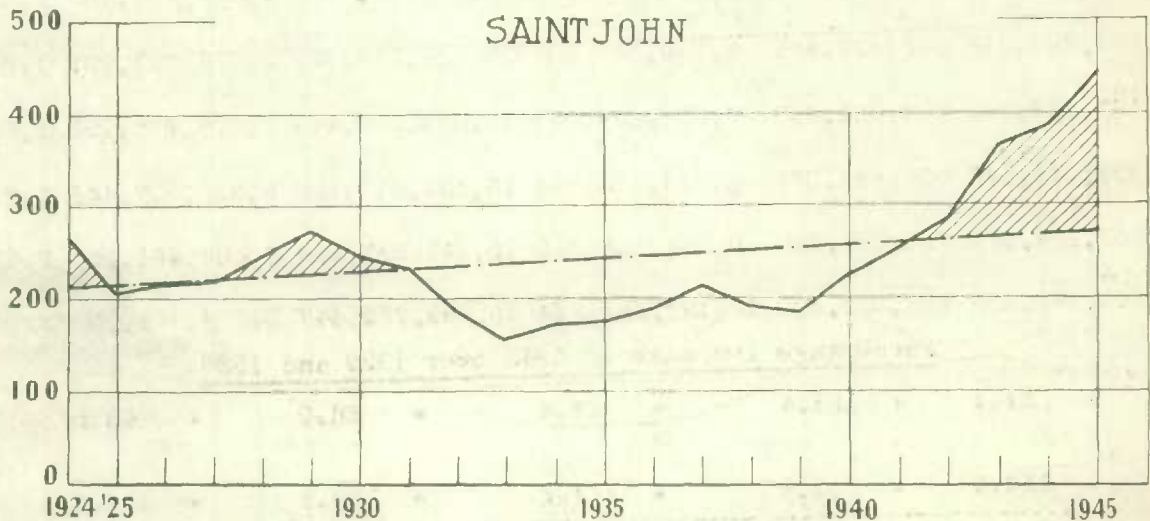
CHEQUES CASHED HALIFAX

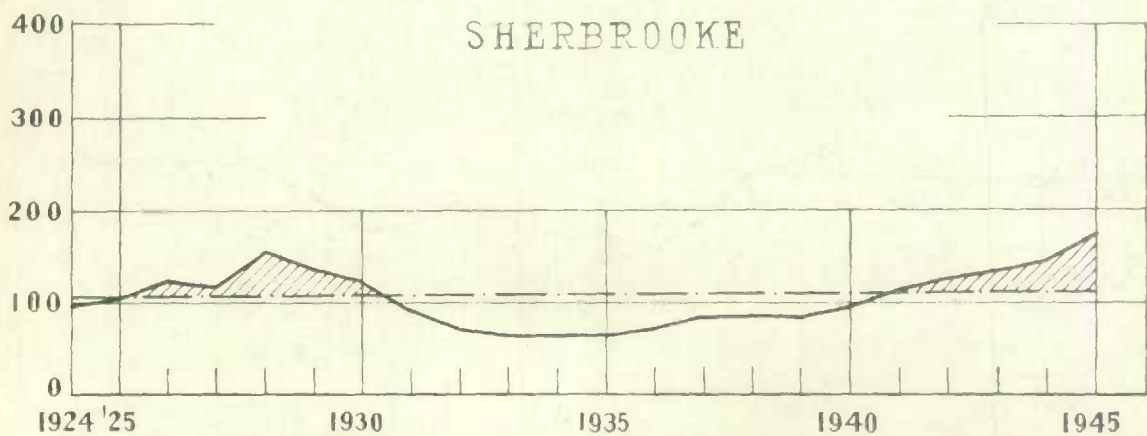
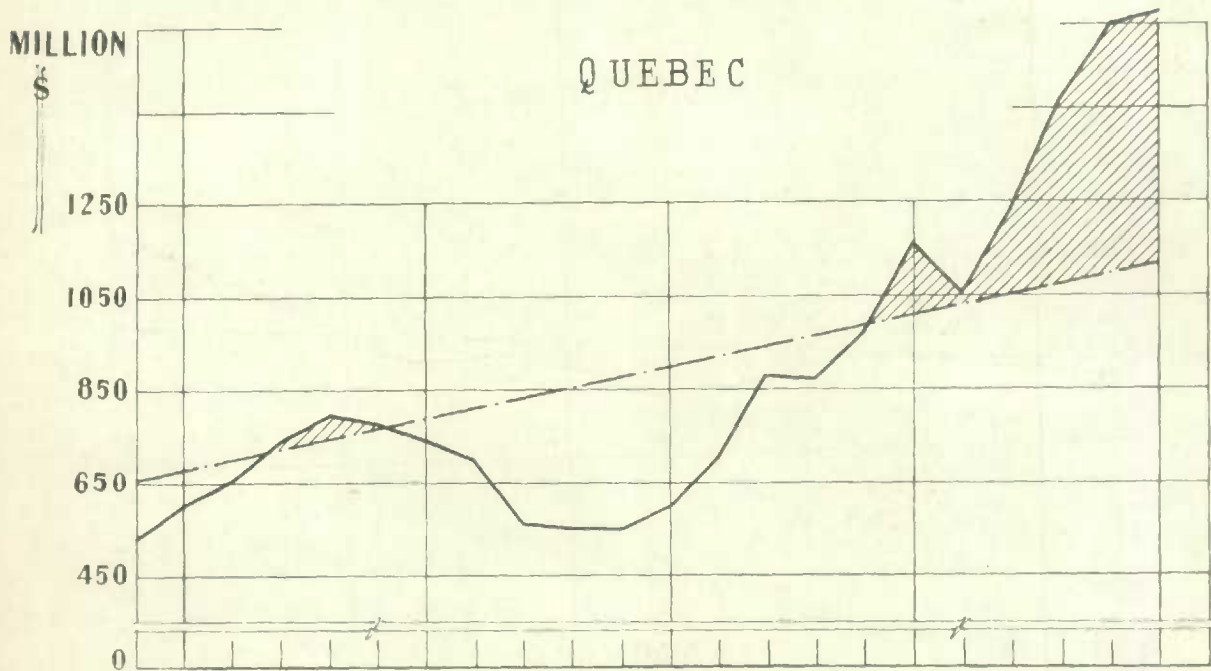
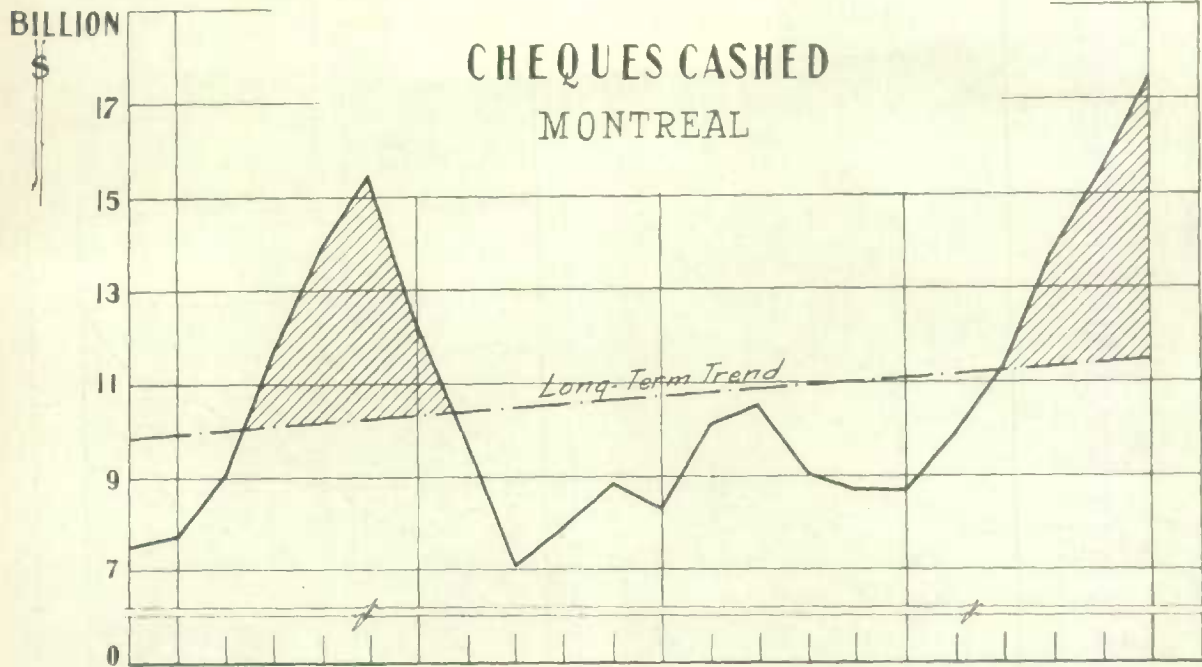


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