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Asst. Deputy Governor

*Mr. [unclear]*  
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**CANADA**  
**DEPARTMENT OF TRADE AND COMMERCE**  
**DOMINION BUREAU OF STATISTICS**  
**BUSINESS STATISTICS BRANCH**

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**CHEQUES CASHED**

**AND**

**MONEY SUPPLY**

**JULY, 1946**



OTTAWA  
1946



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### CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, JULY, 1946

A slight advance was shown in the amount of cheques cashed in Canada during July over the same month of 1945. Increases were shown in three of the five economic areas but the total rose only 2.4 p.c., the standing in July having been \$5,547 million.

Important increases were shown in the Maritimes, Quebec and British Columbia over the same month of last year. The increase in the Maritime Provinces was 19.2 p.c., the advance having been from \$120 million to \$143 million. The totals for each of the three clearing centres were greater, especially in Halifax and Saint John. Cheques cashed in Montreal recorded an increase of 21.8 p.c., the total in July having been \$1,595 million. The increase in Sherbrooke was no less than 30 p.c. and the gain in the city of Quebec was about \$22 million to \$184.7 million.

Twelve of the fourteen centres in Ontario showed bank debits at a higher level than in the same month last year. Declines were limited to Ottawa and Windsor. The increase in Toronto, on the other hand, was 21.7 p.c., the total in July having been \$1,634 million. The net result for the Province, however, was a decline of nearly 5 p.c., the drop having been \$121 million to \$2,361 million.

Eight of the ten centres in the Prairie Provinces showed advances in this comparison. Cheques cashed in Winnipeg were at a considerably lower level and the decline in Regina was nearly 11 p.c. The increase in Calgary was 23 p.c., the total in July having been \$144 million. Marked percentage increases were shown in Brandon and Prince Albert. The total for the economic area receded 15.7 p.c. to \$832 million.

Marked advances were shown in each of the three clearing centres in British Columbia, the greatest percentage increase having been recorded in Victoria. The Provincial total rose from \$345 million to \$413 million, being one-fifth greater than in the same month of last year. The standing in Victoria was nearly one-half greater, while the total for Vancouver rose from \$285 million to \$329 million.

The recession in the Dominion total from June to July was somewhat less than normal for the season, an increase of 4.8 p.c. having been shown after the adjustment.

### Cheques Cashed in the First Seven Months Compared with the same Period of 1945.-

Cheques cashed in the thirty-three centres during the first seven months of the year were greater than in any similar period in history. The total was \$40 billion against \$38 billion in 1945. Advances were recorded in each of the five economic areas except the Prairie Provinces.

The greatest percentage increase was shown in British Columbia where the total rose from \$2,366 million to \$3,075 million. The increase in the total was consequently about 30 p.c. Cheques cashed in the Maritime Provinces at \$929 million were nearly 10 p.c. above the same period of last year. Debits in Quebec were \$1,145 million greater in this comparison. The increase was 10.6 p.c. resulting in a total of \$11,995 million in the first seven months of the present year.

The increase in Ontario was \$521 million or about 3 p.c. The total for the first seven months of the present year was \$18,151 million compared with \$17,630 million in the same period last year. The total for the Prairie Provinces receded from \$6,394 million to \$5,901 million. The resulting drop was \$493 million or 7.7 p.c.



#### Long-Term Comparisons.-

Cheques cashed in the first seven months were 49 p.c. greater than in 1929, the culmination of the last major economic cycle. A much greater percentage increase was shown over 1938, the last pre-war year. The increase in that comparison was nearly 135 p.c. The Canadian total in 1938 was \$17,051 million.

Each of the five economic areas recorded a new maximum in the first seven months of the present year except the Prairie Provinces. The level in that area was somewhat less than in 1944 or 1945, but was greater than in any other similar period in history.

Debits in the Maritime Provinces were practically double the standing in the first seven months of 1929. The gain over 1938 was no less than 156.6 p.c. Debits of Ontario showed marked gains in both comparisons, the increase over 1929 having been nearly 65 p.c., while the advance over the pre-war year was 128.7. The Quebec advances were 27.4 p.c. over 1929 and 115.6 p.c. over 1938. British Columbia recorded a greater percentage increase over 1938 than any other economic area. The gain was nearly 192 p.c., indicating a marked expansion during the war period. The increase over 1929, a notably prosperous year, was 74.7 p.c.

#### Cheques Cashed Against Current and Savings Accounts.-

Cheques cashed against current deposits, consisting of Dominion and Provincial balances and demand deposits, amounted to \$5,204 million in July compared with \$5,183 million in the same month last year. The sum of the three classes of deposits in the meantime, receded from \$2,894 million to \$2,393 million. The turnover was 2.17 in July compared with 1.79 in the same month of last year. Debits against notice deposits were \$343 million during July, and deposits of this class were \$3,363 million. The turnover rose from .089 last year to .102.

#### Comparison with Other Factors.-

The index of cheques cashed rose from 194.6 in July, 1945 to 199.1 in the month under review. The index of wholesale prices was at a somewhat higher level, the advance in June having been from 104.0 last year to 109.1. The index of common stock prices rose from 102.5 to 123.3. The cost of living has shown repeated advances, the standing at July 1, having been 125.1 against 120.3, on the same date last year. Owing to the termination of the war, the index of the physical volume of business and of employment in manufacturing have showed considerable decline.

#### Money Supply.-

The money supply at the end of June was at a lower level than in May, but considerably higher than in the same month of 1945. The notes in the hands of the public rose to \$1,011 million, showing an advance over May and over June of last year. The circulation of subsidiary coin was also somewhat greater in the latest month. Deposits, subject to cheque, rose from \$5,620 million in June last year to \$5,900 million this year. Three of the main classes of deposits with the Chartered banks recorded increases over last year, while the Dominion government balance was at a lower level.

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

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS			
Province and Clearing House Centres	July 1 9 4 6	June 1 9 4 6	July 1 9 4 5
	\$	\$	\$
<b>Maritime Provinces -</b>			
Halifax .....	80,545,156	76,641,539	66,050,253
Moncton .....	22,698,612	22,428,950	20,695,741
Saint John .....	39,968,928	39,876,097	33,424,926
Total - Maritime Provinces ..	143,212,696	138,946,586	120,170,920
<b>Quebec -</b>			
Montreal .....	1,594,940,389	1,640,858,472	1,309,617,209
Quebec .....	184,669,941	143,337,701	162,568,995
Sherbrooke .....	17,635,163	17,049,746	13,540,418
Total - Quebec .....	1,797,245,493	1,801,245,919	1,485,726,622
<b>Ontario -</b>			
Brantford .....	22,888,066	21,904,524	19,982,974
Chatham .....	15,090,241	14,182,036	12,372,252
Fort William .....	16,417,260	14,221,294	14,637,973
Hamilton .....	120,292,628	114,045,190	101,427,478
Kingston .....	16,320,772	15,160,795	14,685,284
Kitchener .....	31,213,119	30,667,666	23,032,888
London .....	70,993,293	84,023,834	63,946,534
Ottawa .....	285,441,457	318,493,227	746,229,849
Peterborough .....	16,674,600	17,007,962	12,677,608
St. Catharines .....	21,589,205	21,481,700	18,067,822
Sarnia .....	20,045,820	21,836,415	18,695,345
Sudbury .....	12,859,075	12,969,643	10,022,654
Toronto .....	1,634,311,056	1,677,215,157	1,343,401,927
Windsor .....	76,970,637	81,631,252	83,193,592
Total - Ontario .....	2,361,107,229	2,444,840,695	2,482,374,180
<b>Prairie Provinces -</b>			
Brandon .....	12,983,905	7,673,441	6,593,704
Calgary .....	143,691,800	123,489,944	116,819,110
Edmonton .....	99,428,101	73,150,759	96,362,709
Lethbridge .....	11,185,259	11,358,179	8,868,170
Medicine Hat .....	6,530,052	5,773,146	5,264,049
Moose Jaw .....	15,356,741	14,862,664	13,097,026
Prince Albert .....	9,554,975	8,264,933	6,619,666
Regina .....	76,611,609	66,660,955	85,954,512
Saskatoon .....	26,299,548	28,565,618	24,910,768
Winnipeg .....	430,288,565	455,886,541	621,903,532
Total - Prairie Provinces ..	831,930,555	795,686,180	986,393,246
<b>British Columbia -</b>			
New Westminster .....	17,886,251	21,250,185	14,787,326
Vancouver .....	329,059,635	340,749,333	285,327,677
Victoria .....	66,420,643	66,700,888	44,391,300
Total - British Columbia ....	413,366,529	428,700,406	344,506,303
<b>GRAND TOTAL FOR CANADA .....</b>	<b>5,546,862,502</b>	<b>5,609,419,786</b>	<b>5,419,171,271</b>



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

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	July, 1946	June, 1946	July, 1946	June, 1946
	\$	\$	\$	\$
Maritime Provinces ...	133,091,552	131,093,073	10,121,144	7,853,513
Quebec .....	1,696,994,571	1,709,076,386	100,250,922	92,169,533
Ontario .....	2,218,281,230	2,294,609,359	142,825,999	150,231,336
Prairie Provinces ....	787,920,234	752,983,945	44,010,321	42,702,235
British Columbia .....	367,550,481	378,803,008	45,815,048	49,897,398
GRAND TOTAL FOR CANADA	5,203,838,068	5,266,565,771	343,024,434	342,854,015
Cumulative Totals	First Seven Months of 1946	First Seven Months of 1945	Increase (+) Decrease (-)	Percentage of 1946 to 1945
Maritime Provinces ...	929,235,086	845,830,256	+ 83,404,828	109.9
Quebec .....	11,894,599,207	10,849,831,847	+ 1,044,767,360	110.6
Ontario .....	18,151,066,676	17,630,311,257	+ 520,755,419	103.0
Prairie Provinces ....	5,901,332,927	6,393,854,487	- 492,521,560	92.3
British Columbia .....	3,075,096,895	2,366,477,492	+ 708,619,403	129.9
GRAND TOTAL FOR CANADA	40,051,330,791	38,086,305,341	+ 1,965,025,450	105.2

TABLE 3 - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted	1 9 4 5			1 9 4 6			
Economic Indexes	June	July	Feb.	March	April	May	June
Bank Debits, 1935-39=100 ...	206.3	194.6	218.7	224.6	222.1	206.4	190.2
Physical Volume of Business.	219.5	213.7	181.2	191.4	192.8	184.3	178.9
Common Stocks, 1935-39=100 .	102.5	100.5	121.8	119.2	125.1	124.4	123.3
Cost of Living, 1935-39=100.	119.6	120.3	119.9	120.1	120.8	122.0	123.6
Employment in Manufacturing							
1926=100 .....	204.9	202.7	190.2	186.5	186.3	184.4	181.0
Wholesale Prices, 1926=100 .	104.0	104.6	105.2	105.6	108.2	108.6	109.1

TABLE 4 - MONEY SUPPLY - Millions of Dollars

	1 9 4 5				1 9 4 6			
	June	July	Feb.	March	April	May	June	
<u>Circulating Media</u>								
Bank Notes in Circulation -								
Bank of Canada .....	1,063.2	1,078.8	1,086.7	1,102.2	1,114.4	1,109.5	1,114.0	
Chartered Banks .....	28.7	28.2	24.8	24.5	24.1	23.7	23.3	
Notes in hands of public .	970.2	966.8	976.9	1,002.0	984.0	995.6	1,011.0	
Subsidiary coin in hands of public .....	61.4	61.0	61.5	62.8	62.0	62.7	64.0	
Total Circulating Media in hands of public (M) .....	1,031.6	1,027.8	1,038.4	1,064.7	1,046.0	1,058.4	1,075.0	
<u>Deposits</u>								
Deposits with Chartered Banks								
Dominion Government .....	934.2	473.4	650.7	517.6	359.6	248.6	114.3	
Provincial Government ....	102.7	120.0	105.9	108.1	122.3	120.2	128.1	
Demand .....	1,857.3	1,934.7	1,995.4	1,985.3	2,178.5	2,207.0	2,150.3	
Notice .....	2,645.5	2,740.6	3,078.0	3,170.2	3,237.5	3,305.7	3,363.5	
Total .....	5,539.8	5,268.8	5,829.9	5,781.2	5,897.9	5,881.5	5,756.1	
Deposits with Bank of Canada								
Dominion Government .....	43.9	57.5	201.7	149.2	183.3	87.1	57.9	
Other .....	35.9	37.6	56.4	89.1	62.7	78.4	85.6	
Total .....	79.8	95.1	258.1	238.3	246.0	165.6	143.4	
Total Deposits (MI) .....	5,619.6	5,363.9	6,088.0	6,019.5	6,143.9	6,047.1	5,899.6	
Money Supply (M + MI) .....	6,651.2	6,391.7	7,126.4	7,084.2	7,189.8	7,105.5	6,974.6	

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

DOLLARS						
Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1924	14,667,156,451	348,488,691	4,492,627,568	5,968,374,241	2,880,572,762	977,093,189
1925	15,060,626,347	319,885,613	4,637,061,998	6,060,186,538	3,008,711,675	1,034,780,523
1926	16,965,012,399	360,524,144	5,380,393,171	6,965,567,384	3,139,737,105	1,118,790,596
1927	18,705,614,678	345,860,294	6,451,883,952	7,728,228,740	3,047,807,946	1,131,933,746
1928	24,607,575,840	430,364,585	8,755,399,198	9,840,477,505	4,150,498,137	1,430,836,415
1929	26,839,469,362	465,926,488	9,416,815,269	11,010,029,015	4,186,674,195	1,760,024,395
1930	22,119,155,224	410,321,460	7,824,020,970	8,938,991,642	3,536,779,052	1,409,042,050
1931	18,825,548,263	377,712,444	6,452,710,995	8,132,467,646	2,785,528,569	1,077,128,609
1932	14,712,583,902	310,701,373	4,493,489,285	6,458,058,128	2,563,488,834	886,846,282
1933	16,723,096,068	269,031,181	4,739,584,973	7,277,976,813	3,590,280,331	846,222,770
1934	18,210,112,547	302,024,842	5,359,256,423	8,259,933,676	3,353,768,100	935,129,506
1935	17,761,237,590	314,330,284	5,119,396,496	8,198,527,917	3,188,188,648	940,794,245
1936	20,140,510,511	355,087,848	6,113,103,107	8,807,937,140	3,676,894,326	1,187,488,090
1937	20,906,745,581	431,352,934	6,850,718,461	9,641,460,492	2,743,654,991	1,239,558,703
1938	17,051,438,773	362,163,703	5,564,382,547	7,937,676,063	2,133,114,314	1,054,102,146
1939	17,509,831,830	365,979,989	5,744,306,074	7,887,870,910	2,356,679,197	1,154,995,660
1940	19,624,238,007	471,158,696	5,840,483,441	8,578,020,550	3,512,964,161	1,221,611,159
1941	22,051,806,274	524,897,156	6,127,811,864	10,349,946,924	3,670,034,710	1,379,115,620
1942	25,295,840,009	610,753,227	7,021,746,073	12,417,743,611	3,643,369,991	1,602,227,107
1943	29,873,332,618	704,959,559	8,620,143,838	13,971,550,644	4,743,823,042	1,832,855,535
1944	34,660,474,715	740,199,981	9,923,772,166	15,343,024,500	6,459,852,510	2,193,425,568
1945	38,086,305,341	845,830,258	10,849,831,847	17,630,311,257	6,393,854,487	2,366,477,492
1946	40,051,330,791	929,235,086	11,994,599,207	18,151,066,676	5,901,332,927	3,075,096,895
<u>Percentage increase of 1946 over 1929 and 1938.</u>						
p.c. to 1929	+ 49.2	+ 99.4	+ 27.4	+ 64.9	+ 41.0	+ 74.7
p.c. to 1938	+ 134.9	+ 156.6	+ 115.6	+ 128.7	+ 176.7	+ 191.7

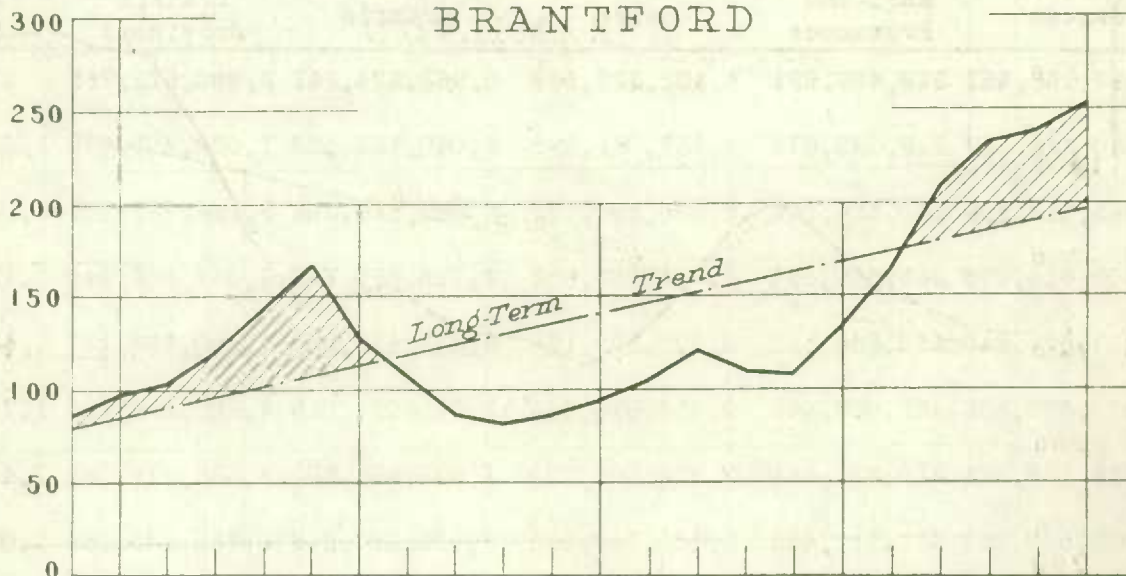


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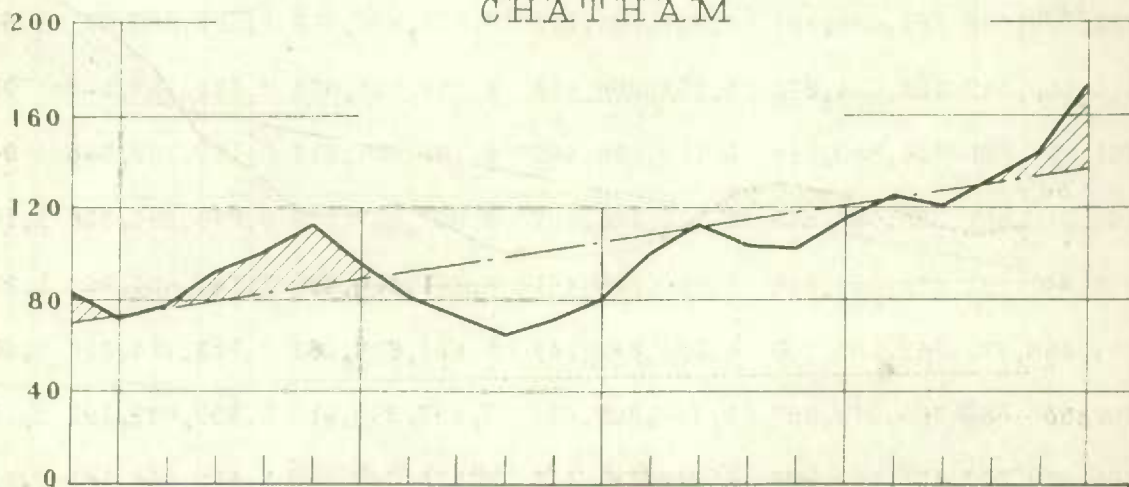
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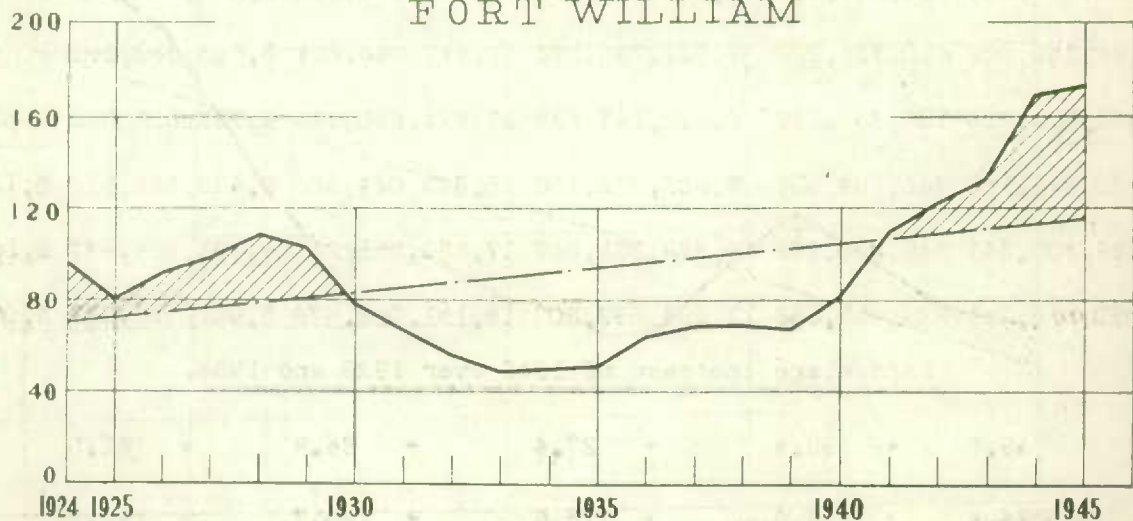
BRANTFORD



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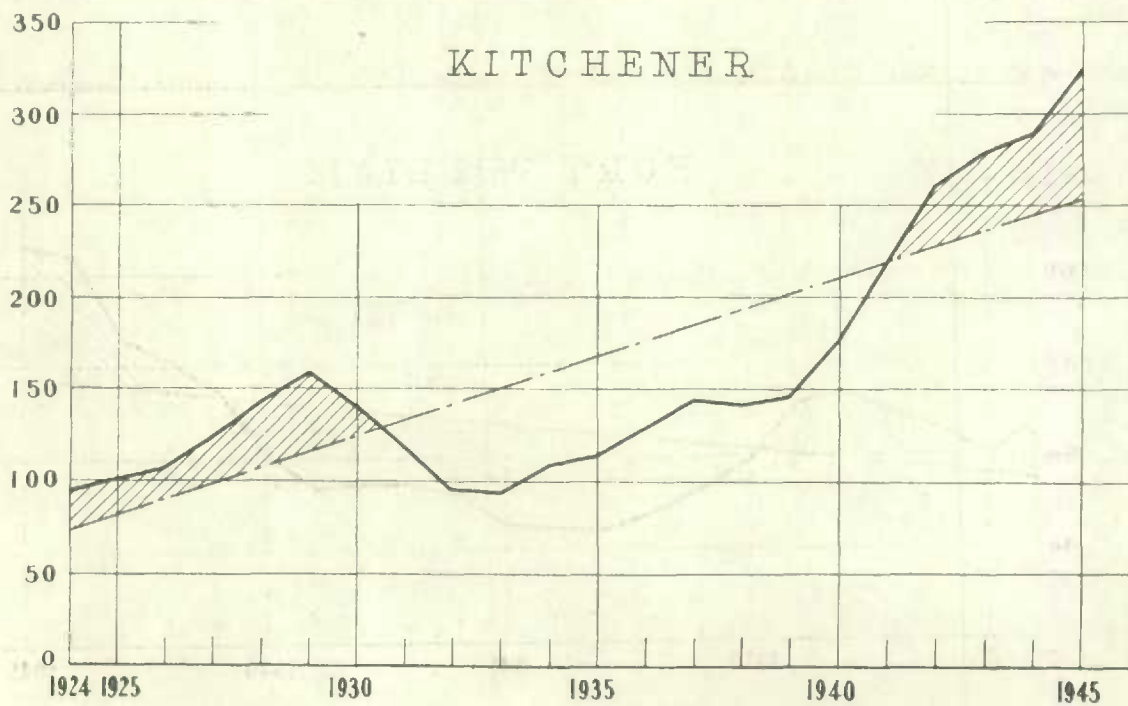
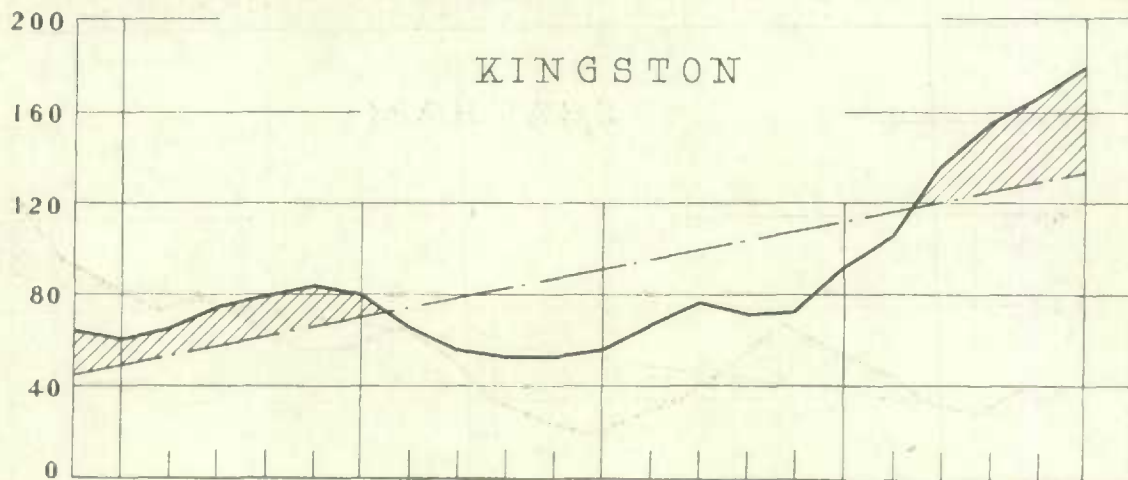
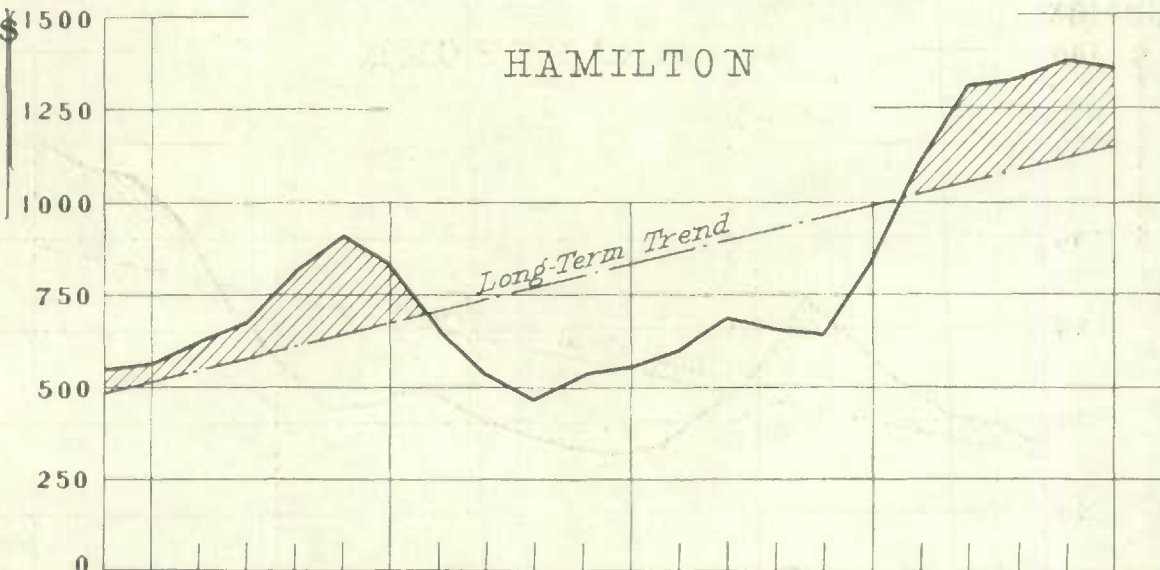




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