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CHEQUES CASHED

AND

MONEY SUPPLY

AUGUST, 1946



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CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, AUGUST, 1946

Cheques cashed in the clearing centres of Canada were 3 p.c. greater in August than in the same month of the preceding year. The total was \$4,867 million against \$4,727 million in 1945. Transactions in thirty of the thirty-three clearing centres were at a higher level. The declines were limited to Kingston, Ottawa and Winnipeg. The aggregate for the Maritime Provinces, Quebec and British Columbia showed considerable increase, while the totals for Ontario and the Prairie Provinces receded to a lower position.

The increase in the Maritime Provinces was nearly 23 p.c. The total for Halifax was 24 p.c. greater, the percentage increases in Moncton and Saint John having been 25.6 p.c. and 19.1 p.c. respectively. Each of the three centres in Quebec recorded higher levels. The gain in Montreal was 13.6 p.c. to \$1,383 million. Gains of 34.2 p.c. and 8.9 p.c. were shown in Sherbrooke and Quebec respectively. The recession in the provincial total of Ontario was nearly 1 p.c., the total in August having been \$2,020 million. Each of the fourteen centres except Kingston and Ottawa showed gains in this comparison. The decline in Ottawa was from \$491 million to \$240 million. A slight recession was shown in Kingston. The increase in Toronto was 13.5 p.c., the total amounting to \$1,338 million. The greatest percentage increase was shown in Brantford where the total rose from \$18 million to \$23 million, a gain of 28.7 p.c. Important percentage increases were also shown in Toronto, London and Sarnia.

The decline in the aggregate for the ten centres in the Prairie Provinces was 11.2 p.c., the total in August having been \$802 million. The only centre showing a decline was Winnipeg where a drop of 26.7 p.c. was shown. The greatest percentage increase was recorded in Lethbridge, where cheques cashed rose 45.5 p.c. Saskatoon recorded an increase of 27.3 p.c. and Prince Albert a gain of 30.2 p.c. Increases were general in the three clearing centres of British Columbia. The advance in Vancouver was 13.9 p.c. to \$321 million. Gains of 36.4 p.c. and 23.3 p.c. were shown in Victoria and New Westminster respectively.

Comparison With Other Factors

Considerable decline was shown in the index of the physical volume of business in July as compared with the same month of last year. Common stock prices were at a considerably higher position. Relatively minor advances were shown in wholesale prices and cost of living. Employment in manufacturing plants showed a considerable recession, the index on the base of 1926 dropping from 202.7 to 183.3

The First Eight Months of 1946

Bank debits in Canada were \$44,918 million in the first eight months of this year, a gain of 4.9 p.c. over the same period of 1945. Increases were shown in each of the five economic areas except the Prairie Provinces. Transactions in British Columbia showed the greatest percentage increase, the total rising from \$2,701 million to nearly \$3,466 million. The gain in the Maritime Provinces was 11.3 p.c., the total in the first eight months having been \$1,058 million. Cheques cashed in Quebec rose 10.9 p.c. to \$13,520 million. The total for the first eight months of 1945 was \$12,195 million. The advance in Ontario was limited to 2.5 p.c. The total in the first part of this year was \$20,171 million, an increase of \$502 million. The decline in the Prairie Provinces was 8.1 p.c., the drop having been \$594 million. The total declined from \$7,297 million to \$6,703 million.

Long-Term Comparison

The Dominion total for the first eight months of 1946 was greater than in any similar period on record. The increase over 1929 was 47.2 p.c., a gain of 131.3 p.c. having been shown over 1938.

The total for the Maritime Provinces was greater than \$1 billion during the first eight months for the first time in history. The increase over 1929 and 1938 was 99.5 p.c. and 154.6 p.c. respectively. Cheques cashed in the first eight months in Quebec amounted to \$13,520 million. During the same period of 1929 the amount was \$10,699 million, while in 1938 the standing was as low as \$6,344 million. The increase over the same period in the last full year of peace-time before the second world war was 113 p.c. The Ontario total was \$20,171 million showing gains of 62.5 p.c. and 123.9 p.c. over the same periods of 1929 and 1938. Cheques cashed in the Prairie Provinces at \$6 billion was less than in either 1944 or 1945. The increase over 1929 was 37.5 p.c., while the advance over 1938 was 174.6 p.c. Marked gains were shown in British Columbia where the percentage increases were 74.4 and 186 over 1929 and 1938 respectively.

Cheques Cashed Against Savings and Current Accounts

Debits against current accounts including Dominion and Provincial balances and demand deposits were \$4,566 million in August against \$4,501 million in the same month last year. The sum of the three classes of deposits receded during the twelve months from \$2,528 million to \$2,476 million. The turnover consequently increased from 1.78 to 1.84, the amounts being established by dividing the bank debits by the deposits. Cheques cashed in savings accounts were \$300 million in August against \$226 million last year, the turnover increasing from .083 to .088.

Money Supply

The money supply consisting of bank debits subject to cheque, bank notes and coin in the hands of the public rose from \$6,392 million on July 31st last year to \$7,097 million on the same date of 1946. The deposits with the Chartered Banks and the Bank of Canada rose 12.7 p.c. in the same comparison. The total at the end of July was \$6,046 million against \$5,364 million. The sum of the bank notes and coin in the hands of the public was \$1,051 million against \$1,028 million, the gain being limited to 2.3 p.c.

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

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS			
Province and Clearing House Centres	August 1 9 4 6	July 1 9 4 6	August 1 9 4 5
	\$	\$	\$
Maritime Provinces -			
Halifax	67,600,436	80,545,156	54,506,962
Moncton	24,042,248	22,698,612	19,148,060
Saint John	36,764,767	39,968,928	30,865,307
Total - Maritime Provinces ..	128,407,451	143,212,696	104,520,329
Quebec -			
Montreal	1,382,552,124	1,594,940,389	1,217,353,539
Quebec	124,539,482	184,669,941	114,363,243
Sherbrooke	18,270,853	17,635,163	13,618,933
Total - Quebec	1,525,362,459	1,797,245,493	1,345,335,715
Ontario -			
Brantford	23,185,086	22,888,066	18,012,831
Chatham	13,249,096	15,090,241	11,312,877
Fort William	16,539,307	16,417,260	14,465,151
Hamilton	111,438,072	120,292,628	100,018,871
Kingston	15,375,041	16,320,772	15,424,154
Kitchener	24,414,881	31,213,119	20,998,135
London	71,784,505	70,993,293	55,966,173
Ottawa	240,098,808	285,441,457	491,089,316
Peterborough	15,492,359	16,674,600	12,268,377
St. Catharines	20,951,042	21,589,205	16,751,402
Sarnia	23,246,387	20,045,820	18,257,781
Sudbury	12,936,516	12,859,075	10,066,243
Toronto	1,337,707,669	1,634,311,056	1,178,095,697
Windsor	93,703,024	76,970,637	76,579,025
Total - Ontario	2,020,121,793	2,361,107,229	2,039,306,023
Prairie Provinces -			
Brandon	7,954,499	12,983,905	6,983,091
Calgary	125,276,978	143,691,800	106,092,824
Edmonton	107,284,493	99,428,101	102,544,757
Lethbridge	13,530,498	11,185,259	9,302,091
Medicine Hat	6,029,285	6,530,052	5,060,737
Moose Jaw	14,231,684	15,356,741	13,759,037
Prince Albert	8,437,115	9,554,975	6,478,959
Regina	71,223,991	76,611,609	59,489,039
Saskatoon	30,175,967	26,299,548	23,712,520
Winnipeg	417,515,528	430,288,565	569,625,756
Total - Prairie Provinces ..	801,660,038	831,930,555	903,048,811
British Columbia -			
New Westminster	18,706,870	17,886,251	15,169,307
Vancouver	321,063,512	329,059,635	281,663,352
Victoria	51,217,463	66,420,643	37,552,257
Total - British Columbia	390,987,845	413,366,529	334,384,916
GRAND TOTAL FOR CANADA	4,866,539,586	5,546,862,502	4,726,595,804

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

Type of Account	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	August, 1946	July, 1946	August, 1946	July, 1946
	\$	\$	\$	\$
Maritime Provinces.....	120,825,724	133,091,552	7,581,727	10,121,144
Quebec	1,446,429,807	1,696,994,571	78,932,652	100,250,922
Ontario	1,893,218,880	2,218,281,230	126,902,913	142,825,999
Prairie Provinces	756,275,935	787,920,234	45,384,103	44,010,321
British Columbia	349,583,496	367,550,481	41,404,349	45,816,042
GRAND TOTAL FOR CANADA	4,566,333,842	5,203,838,068	300,205,744	343,024,434
Cumulative Totals	First Eight Months of 1946	First Eight Months of 1945	Increase (+) Decrease (-)	Percentage 1946 to 1945
Maritime Provinces	1,057,642,537	950,350,587	+ 107,291,950	111.3
Quebec	13,519,961,666	12,195,167,562	+1,324,794,104	110.9
Ontario	20,171,188,469	19,669,617,290	+ 501,571,179	102.5
Prairie Provinces	6,702,992,965	7,296,903,298	- 593,910,333	91.9
British Columbia	3,466,084,740	2,700,862,408	+ 765,222,332	128.3
GRAND TOTAL FOR CANADA	44,917,870,377	42,812,901,145	+2,104,969,232	104.9

TABLE 3 - RELATION OF CHEQUES CASHED TO OTHER FACTORS

Seasonally Adjusted	1945			1946			
	July	August	March	April	May	June	July
Economic Indexes							
Bank Debits, 1935-39=100.....	194.6	184.7	224.6	222.1	206.4	109.2	199.1
Physical Volume of Business ..	213.7	212.7	191.4	192.8	184.3	178.9	180.3
Common Stocks, 1935-39=100 ...	100.5	99.6	119.2	125.1	124.4	123.3	119.1
Cost of Living, 1935-39=100 ..	120.3	120.5	120.1	120.8	122.0	123.6	125.1
Employment in Manufacturing							
1926=100	202.7	199.5	186.5	186.2	184.4	181.0	183.3
Wholesale Prices, 1926=100 ...	104.6	104.0	105.6	108.2	108.6	109.1	109.5

TABLE 4 - MONEY SUPPLY - MILLIONS OF DOLLARS

	1945			1946			
	July	August	March	April	May	June	July
<u>Circulating Media</u>							
Bank Notes in Circulation -							
Bank of Canada	1,078.8	1,097.9	1,102.2	1,114.4	1,109.5	1,114.0	1,117.9
Chartered Banks	28.2	27.7	24.5	24.1	23.7	23.3	22.9
Notes in hands of public ..	966.8	997.7	1,002.0	984.0	995.6	1,011.0	988.6
Subsidiary coin in hands of public	61.0	61.8	62.8	62.0	62.7	64.0	62.6
Total Circulating Media in hands of public (M).....	1,027.8	1,059.5	1,064.7	1,046.0	1,058.4	1,075.0	1,051.2
<u>Deposits</u>							
Deposits with Chartered Banks							
Dominion Government	473.4	255.0	517.6	359.6	248.6	114.3	143.0
Provincial Government	120.0	114.6	108.1	122.3	120.2	128.1	136.0
Demand	1,934.7	2,026.3	1,985.3	2,178.5	2,207.0	2,150.3	2,197.1
Notice	2,740.6	2,833.2	3,170.2	3,237.5	3,305.7	3,363.5	3,410.9
Total	5,268.8	5,229.1	5,781.2	5,897.9	5,881.5	5,756.1	5,886.9
Deposits with Bank of Canada							
Dominion Government	57.5	32.6	149.2	183.3	87.1	57.9	69.1
Other	37.6	39.7	89.1	62.7	78.4	85.6	90.1
Total	95.1	72.4	238.3	246.0	165.6	143.4	159.2
Total Deposits (MI)	5,363.9	5,301.5	6,019.5	6,143.9	6,047.1	5,899.6	6,046.1
Money Supply (M + MI)	6,391.7	6,361.0	7,084.2	7,189.8	7,105.5	6,974.6	7,097.3

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

DOLLARS						
Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1924	16,594,229,852	402,620,925	5,102,509,712	6,721,051,179	3,251,697,546	1,116,350,490
1925	17,150,778,314	366,734,937	5,303,458,129	6,872,565,612	3,414,414,535	1,193,605,101
1926	19,411,257,391	411,032,710	6,252,534,573	7,864,166,088	3,605,840,690	1,277,683,330
1927	21,312,936,164	397,548,081	7,310,523,954	8,763,382,537	3,540,182,667	1,301,298,925
1928	27,850,691,782	490,992,477	9,881,968,551	11,060,845,856	4,784,403,567	1,632,481,331
1929	30,506,538,895	530,148,791	10,699,163,978	12,415,540,217	4,874,467,782	1,987,218,127
1930	24,920,761,209	466,589,112	8,822,000,036	10,017,924,504	4,015,449,680	1,598,797,877
1931	21,069,109,733	427,080,751	7,201,164,115	9,048,218,899	3,169,453,309	1,223,192,659
1932	16,828,258,805	352,529,557	5,134,893,048	7,352,236,228	2,969,970,593	1,018,629,379
1933	19,371,609,314	309,086,679	5,484,100,876	8,316,983,354	4,277,514,638	983,923,767
1934	20,743,567,650	348,238,641	6,052,930,513	9,357,588,723	3,908,401,386	1,076,408,387
1935	20,258,840,122	362,816,786	5,796,513,211	9,190,900,494	3,825,951,761	1,082,657,870
1936	22,759,663,011	403,016,220	6,902,040,652	9,901,671,879	4,199,395,716	1,353,538,544
1937	23,519,603,158	489,291,380	7,727,190,129	10,791,220,157	3,095,290,874	1,416,610,618
1938	19,422,568,100	415,420,325	6,344,430,447	9,010,206,990	2,440,863,872	1,211,646,466
1939	19,899,572,786	418,169,420	6,539,424,700	8,859,058,746	2,763,328,437	1,319,591,483
1940	22,081,944,225	535,510,665	6,564,656,030	9,685,472,728	3,896,784,938	1,399,519,864
1941	25,201,596,880	602,935,599	7,055,974,342	11,733,034,051	4,217,142,446	1,592,510,442
1942	28,775,584,895	692,056,916	8,036,876,986	14,086,477,921	4,132,319,518	1,827,853,554
1943	33,893,599,333	796,682,412	9,835,877,639	15,718,217,789	5,452,555,446	2,090,266,047
1944	39,192,266,185	838,032,964	11,212,504,319	17,280,347,364	7,370,806,762	2,490,574,776
1945	42,812,901,145	950,350,587	12,195,167,562	19,669,617,290	7,296,903,298	2,700,862,408
1946	44,917,870,377	1,057,642,537	13,519,961,666	20,171,188,469	6,702,992,965	3,466,084,740

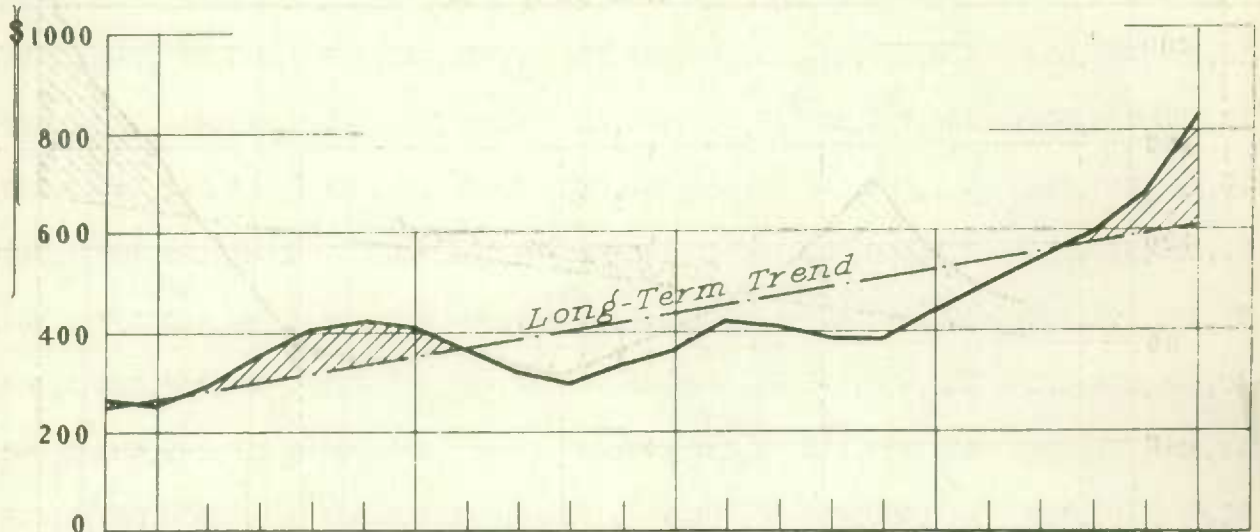
Percentage increase of 1946 over 1929 and 1938

p.c. to 1929	+	47.2	+	99.5	+	26.4	+	62.5	+	37.5	+	74.4
p.c. to 1938	+	131.3	+	154.6	+	113.1	+	123.9	+	174.6	+	186.1

CHEQUES CASHED

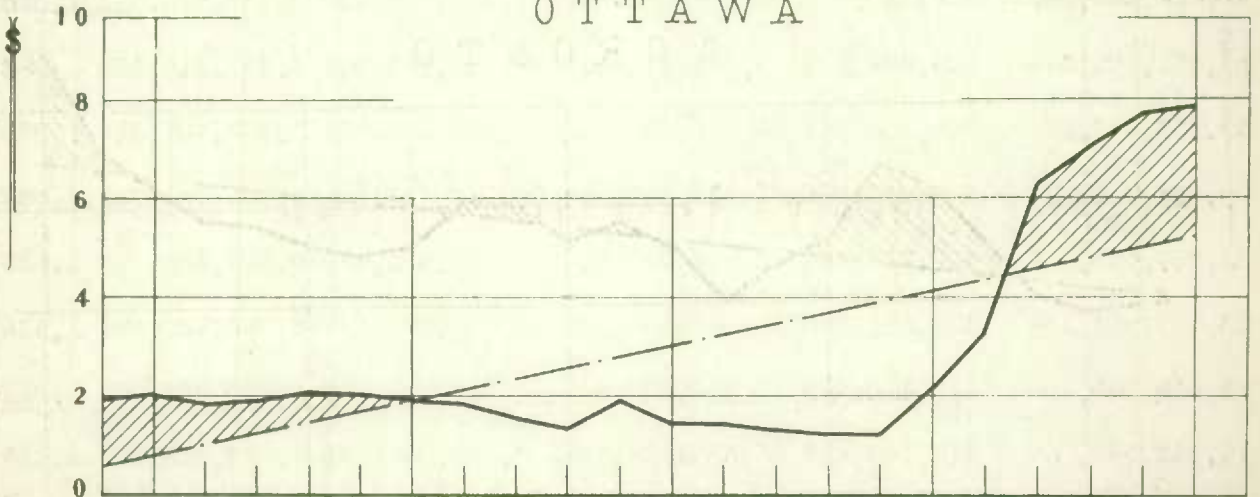
MILLION

LONDON



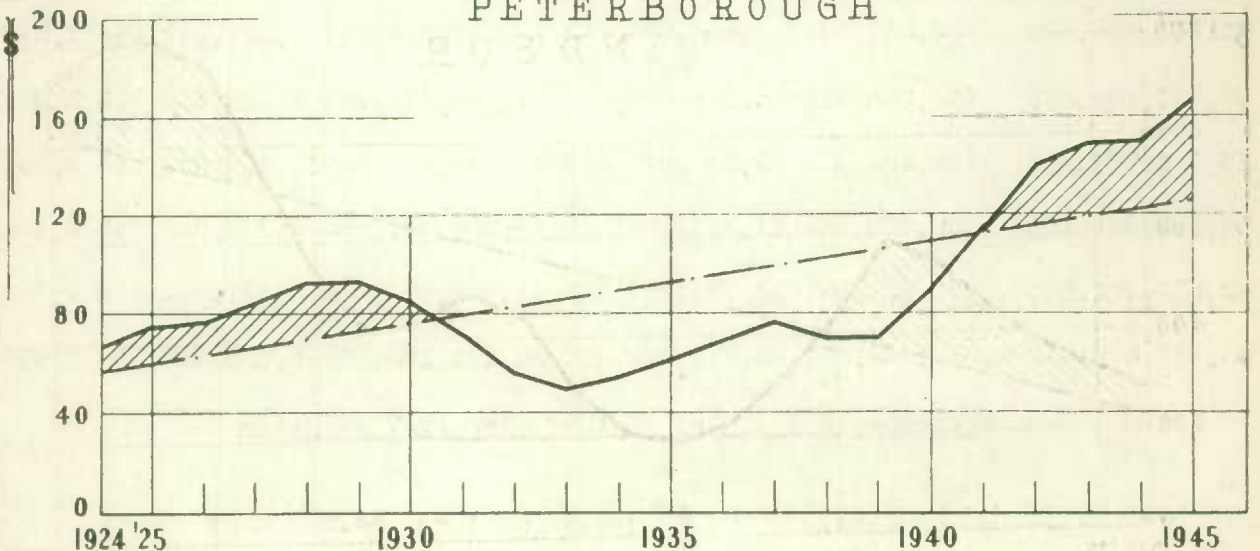
BILLION

OTTAWA



MILLION

PETERBOROUGH



CHEQUES CASHED

MILLION
\$

240

200

160

120

80

40

0

SARNIA

Long-Term Trend

BILLION
\$

16

12

8

4

0

TORONTO

MILLION
\$

1000

800

600

400

200

0

WINDSOR

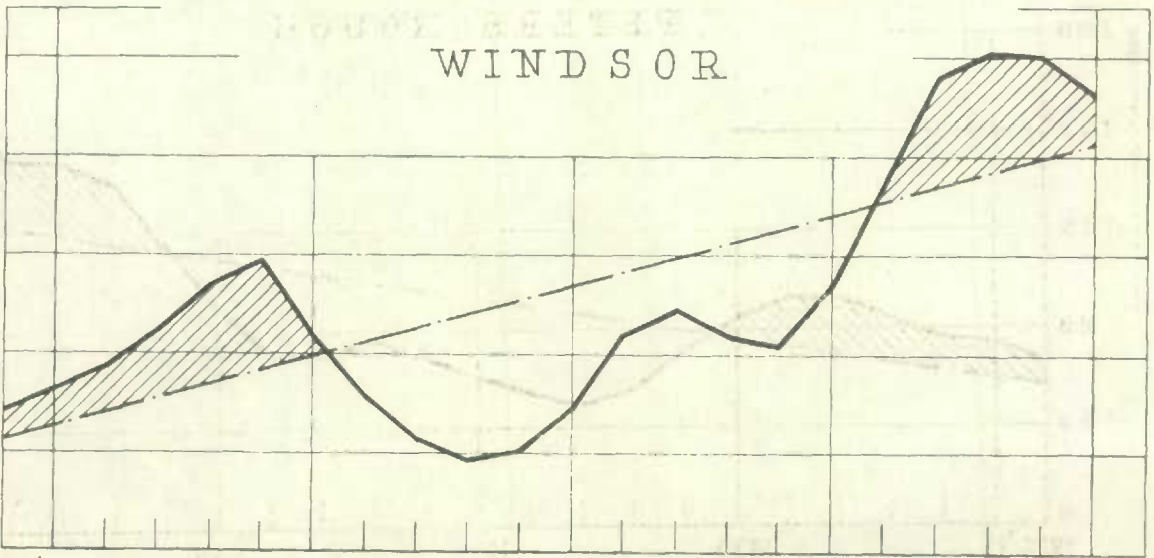
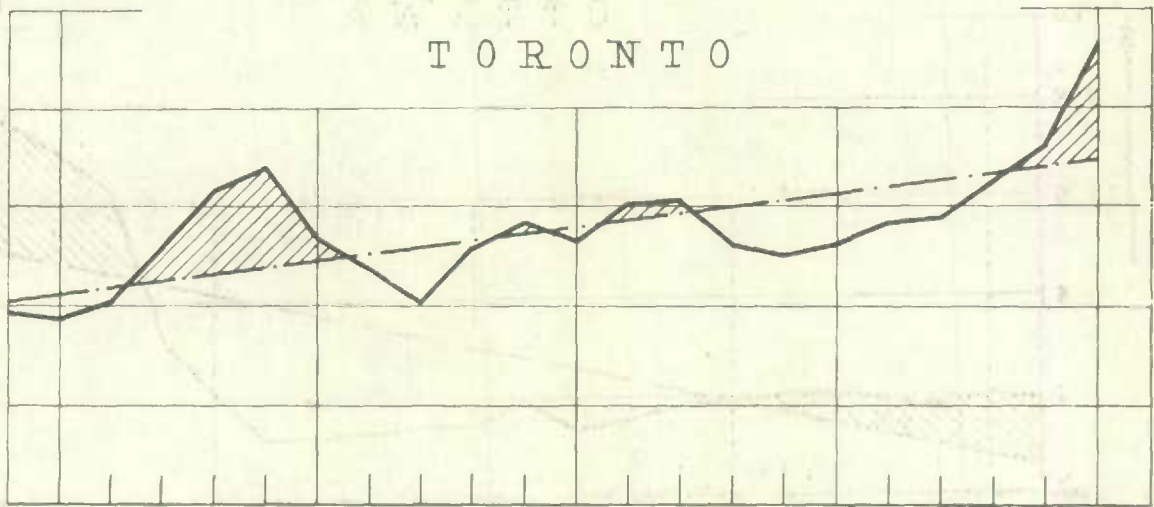
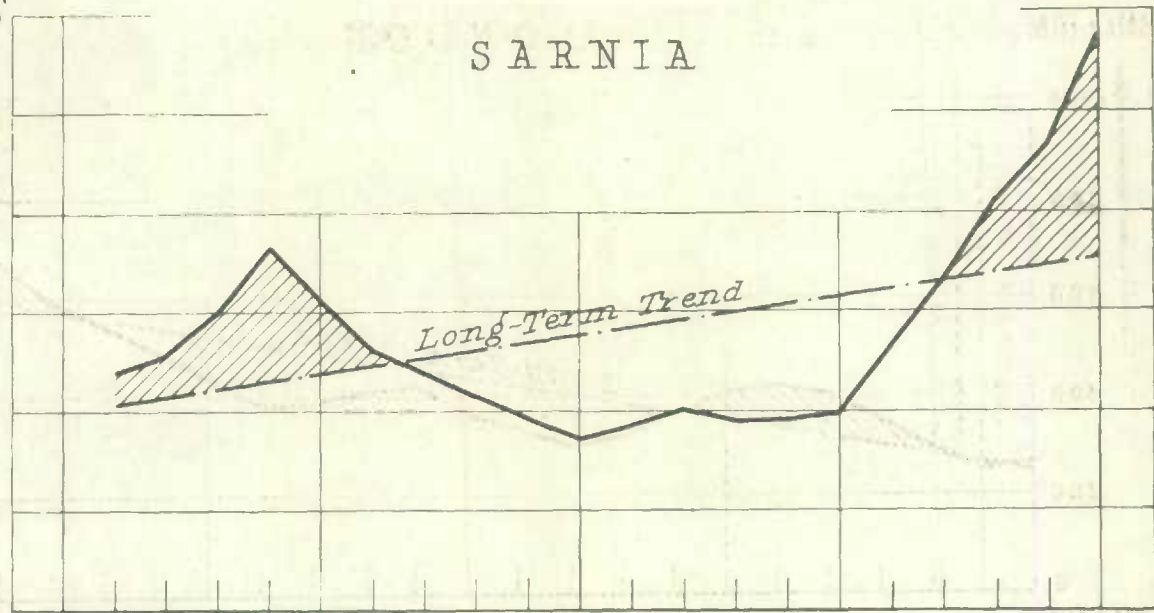
1924 '25

1930

1935

1940

1945



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