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CHEQUES CASHED

AND

MONEY SUPPLY

JULY, 1947



OTTAWA  
1947



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CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, JULY, 1947

Further advances in economic activity and prices were reflected by an increase of 10.4 per cent in the cheques cashed during July compared with the same month of last year. The total was \$6,124 million, compared with \$5,547 million. Increases were shown in each of the five economic areas, the greatest percentage gain having been shown in British Columbia. Twenty-eight of the thirty-three clearing centres recorded advances over July, 1946.

Maritimes - The increase in the total for the Maritime Provinces was 6 per cent, the total in July having been \$152 million. Moncton showed the greatest percentage increase followed by Saint John and Halifax in the order named.

Quebec - The total for Quebec in July was \$1,970 million, an increase of 9.6 per cent over a year ago. The gain in Montreal was 12 per cent, while Sherbrooke showed an advance of nearly 16 per cent. A recession was recorded in Quebec where the total receded from \$185 million to \$164 million.

Ontario - Ottawa and Toronto alone of the fourteen centres in Ontario showed declines in July. A minor advance was reported in the aggregate for the province, the total in July having been \$2,376 million. The greatest percentage increase was shown in Windsor followed by Sudbury and Peterborough.

Prairie Provinces - Prince Albert and Brandon were the only centres in the Prairie Provinces recording a decline. The total for the whole area was \$1,061 million compared with \$832 million, the increase being no less than 27.5 per cent. A marked gain was shown in Winnipeg, where the total rose from \$430 million to \$592 million. Large gains were also recorded in Regina, Medicine Hat, Moose Jaw, Edmonton and Lethbridge.

British Columbia - Cheques cashed in British Columbia were \$565 million against \$413 million, an increase of 36.7 per cent. The advance in Vancouver was no less than 42.4 per cent, the total having been \$469 million against \$329 million.

Comparison with the First Seven Months of 1946 - Thirty-one of the clearing centres in Canada recorded advances in the first seven months of 1947 over the same period of the preceding year. The total was \$42.5 billion compared with \$40 billion in the same period last year. Advances were shown in each of the five economic areas except Ontario, where the decline in Ottawa and Toronto resulted in a recession.

Maritimes - The increase in the Maritime Provinces was 7.8 per cent, the total having been \$1,002 million compared with \$929 million. An increase of 13.4 per cent was shown in Moncton, while appreciable advances were reported in Saint John and Halifax.

Quebec - The aggregate for the Province of Quebec was \$13.6 billion, an increase of 13.6 per cent. The advance in Montreal was from \$10.9 billion to \$12.4



billion, resulting in a gain of 13.9 per cent.

Ontario - The total for Ontario was about 3 per cent less in the first seven months of the present year. Twelve of the fourteen clearing centres recorded advances in this comparison. The increase in Hamilton was 20.4 per cent, the total in the present year having been \$984 million. The total for Windsor advanced from \$528 million to \$622 million, an increase of 17.8 per cent having been indicated.

Prairie Provinces - The total for the Prairie Provinces in the first seven months was \$6,605 million compared with \$5,901 million. Each of the ten centres participated in the advance of 11.9 per cent in the aggregate for the economic area. The greatest percentage increase was shown in Medicine Hat where the total was 27.5 per cent greater. Marked increases were also recorded in Regina and Lethbridge.

British Columbia - The active conditions in British Columbia were reflected in the increase of 20.3 per cent in the first seven months over the same period of 1946. The main influence was an advance of 22 per cent in Vancouver, the total in the present year having been \$3,040 million.

Long Term Comparisons - Cheques cashed in the first seven months of the present year were greater than in any other year in history. The total of \$42,533 million was greater by 58.5 per cent than in 1929 and 149.4 per cent above 1938. Each of the five economic areas except Ontario recorded bank debits greater than in the same period of any other year. The total for Ontario was exceeded only by the maxima reached in 1945 and 1946. The Maritime Provinces showed the greatest percentage increase over 1929, the maximum of the last major economic cycle, while British Columbia recorded the greatest relative increase over 1938, the last full pre-war year.

The increase in the Maritime Provinces over 1929 was from \$466 million to \$1,002 million. The gain in British Columbia in 1947 over 1938 was 251 per cent, the total rising from \$1,054 million to \$3,700 million. The Prairie Provinces showed a gain of 209.6 per cent over 1938, and British Columbia recorded an increase of 110 per cent over 1929, compared with 115 per cent in the Maritime Provinces.

Relation of Cheques Cashed to Other Factors - The index of cheques cashed on the basis of 1935 - 39 was 219.9 in July against 199.1 in the same month last year, a gain of 10.4 per cent. During the same interval, the index of wholesale prices rose 20.5 per cent from 142.4 in July last year. Cost-of-living was 8.6 per cent higher, while a decline of 9.7 per cent was shown in the index of common stock prices. Employment in eight main industrial groups, exclusive of finance, rose from 156.4 in June 1946 to 169.9 in the same month of this year, a gain of 8.6 per cent. A sharp decline was shown in the percentage of unemployed as reported by the Unemployment Insurance Branch. The increase in the index of industrial production in June over the same month of last year was about 11.6 per cent. The increase in bank debits was consequently based upon advances in productive operations and in commodity prices.

Turnover in Current and Saving Accounts - The turnover in current deposits showed an appreciable increase in June over the same month last year. The cheques cashed against such accounts rose from \$5,267 million to \$5,611

million, while the current deposits rose only from \$2,639 million to \$2,644 million. The net result was that the velocity of current accounts was 2.12 in June against 2.00 in the same month of last year.

Owing to the greater increase in savings deposits than in the cheques cashed against such accounts, the turnover receded slightly in June from the same month of last year. Cheques cashed against savings accounts were \$364 million in June against \$343 million in the same month of last year, while the deposits rose from \$3,335 million to \$3,663 million. The turnover in June was 0.101 against 0.103. The turnover of both current and savings accounts was less in June than in the preceding month. The statistics are given in Tables 4 and 5 on Page 9.

Money Supply - The money supply, consisting of notes and subsidiary coin in the hands of the public and deposits subject to cheque with the chartered banks and the Bank of Canada, was 6.1 per cent greater at the end of June than on the same date last year. The deposits showed an increase of 7 per cent, the total having been \$6,312 million compared with \$5,900 million. Notice deposits recorded an increase of 8.3 per cent, while the total deposits with the chartered banks, considered in this connection, were 6.9 per cent greater. The circulating media in the hands of the public, consisting of bank notes and subsidiary coin, recorded an increase of 1 per cent only during the twelve-month period.

The statistical information in regard to the money supply is found in Table 7 on Page 9.



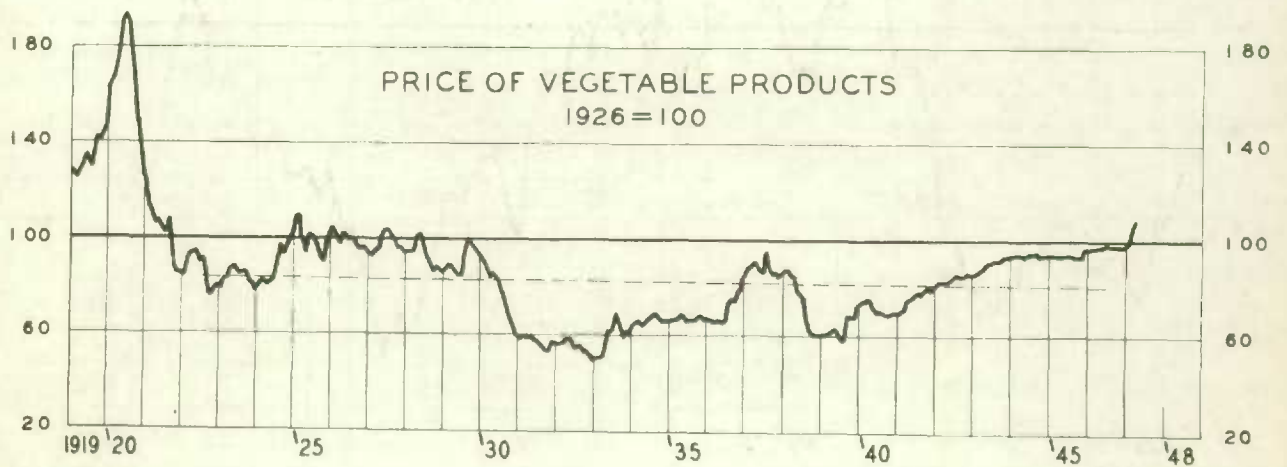
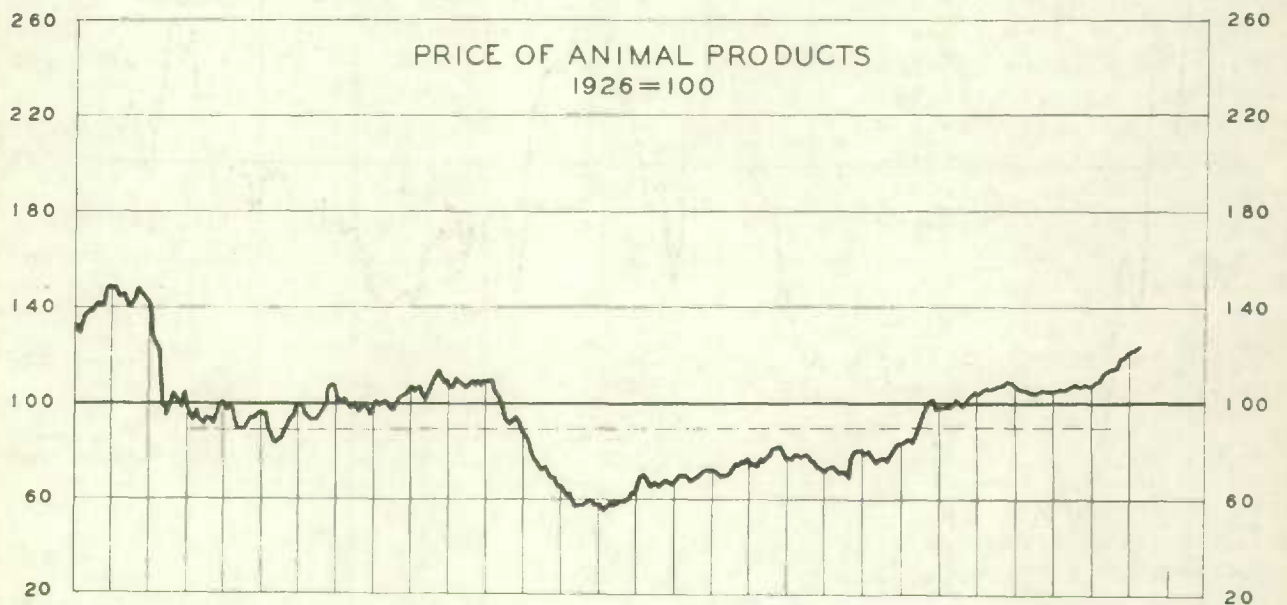
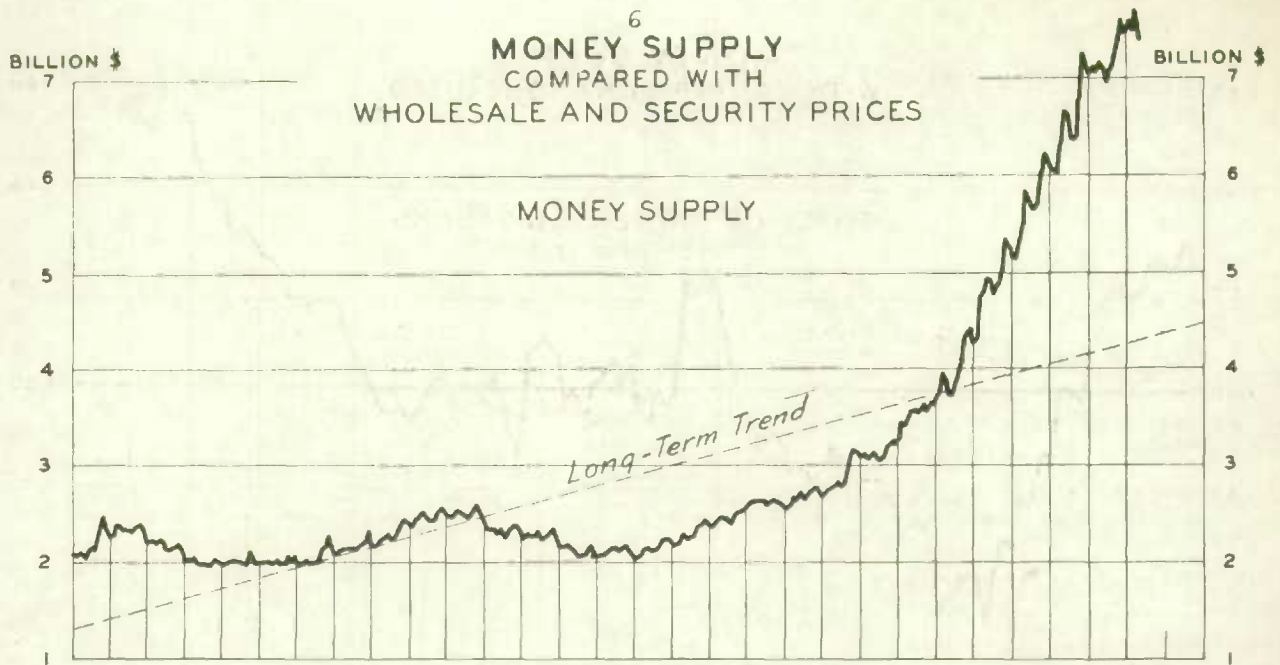
TABLE 1. - CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES IN CANADA, JULY, 1947 WITH COMPARATIVE FIGURES FOR JUNE, 1947 and JULY, 1946.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS				
Province and Clearing House Centres	July 1 9 4 7	June 1 9 4 7	July 1 9 4 6	Percentage of July 1947 to July 1946
	\$	\$	\$	
<b>Maritime Provinces</b>				
Halifax .....	83,358,798	122,786,567	80,545,156	103.5
Moncton .....	26,478,278	24,146,681	22,698,612	116.7
Saint John .....	42,039,787	42,280,174	39,968,928	105.2
Total - Maritime Provinces	151,876,863	189,213,422	143,212,696	106.0
<b>Quebec</b>				
Montreal .....	1,786,439,368	1,616,487,733	1,594,940,389	112.0
Quebec .....	163,627,470	149,281,225	184,669,941	88.6
Sherbrooke .....	20,431,315	20,304,396	17,635,163	115.9
Total - Quebec .....	1,970,498,153	1,786,073,354	1,797,245,493	109.6
<b>Ontario</b>				
Brantford .....	28,951,368	28,590,726	22,888,066	126.5
Chatham .....	18,715,193	18,519,495	15,090,241	124.0
Fort William .....	17,655,381	16,781,373	16,417,260	107.5
Hamilton .....	150,123,579	145,013,385	120,292,628	124.8
Kingston .....	17,876,909	18,268,363	16,320,772	109.5
Kitchener .....	35,334,787	34,030,301	31,213,119	113.2
London .....	87,793,249	85,368,132	70,993,293	123.7
Ottawa .....	254,893,402	285,600,069	285,441,457	89.3
Peterborough .....	21,771,564	19,900,097	16,674,600	130.6
St. Catharines .....	25,889,110	26,344,812	21,589,205	119.9
Sarnia .....	23,936,015	21,435,081	20,045,820	119.4
Sudbury .....	16,870,277	15,311,482	12,859,075	131.2
Toronto .....	1,574,572,718	1,598,530,897	1,634,311,056	96.3
Windsor .....	101,504,580	88,897,951	76,970,637	131.9
Total - Ontario .....	2,375,888,132	2,402,592,164	2,361,107,229	100.6
<b>Prairie Provinces</b>				
Brandon .....	8,808,033	10,344,374	12,983,905	67.8
Calgary .....	159,977,971	173,916,122	143,691,800	111.3
Edmonton .....	117,820,869	129,618,530	99,428,101	118.5
Lethbridge .....	13,794,503	13,919,691	11,185,259	123.3
Medicine Hat .....	8,866,580	7,850,601	6,530,052	135.8
Moose Jaw .....	19,319,275	18,114,077	15,356,741	125.8
Prince Albert .....	8,649,645	8,784,756	9,554,975	90.5
Regina .....	99,455,110	95,299,473	76,611,609	129.8
Saskatoon .....	32,347,947	32,853,349	26,299,548	123.0
Winnipeg .....	591,634,737	594,479,605	430,288,565	137.5
Total - Prairie Provinces	1,060,674,670	1,085,180,578	831,930,555	127.5
<b>British Columbia</b>				
New Westminster .....	23,690,628	23,789,972	17,886,251	132.5
Vancouver .....	468,697,638	424,291,704	329,059,635	142.4
Victoria .....	72,571,469	64,217,867	66,420,643	109.3
Total - British Columbia	564,959,735	512,299,543	413,366,529	136.7
GRAND TOTAL FOR CANADA ...	6,123,897,553	5,975,359,061	5,546,862,502	110.4

Table 2. - CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES IN CANADA DURING THE FIRST SEVEN MONTHS OF 1947 COMPARED WITH THE SAME PERIOD OF 1946

	First Seven Months 1 9 4 7 \$	First Seven Months 1 9 4 6 \$	Increase (+) Decrease (-) \$	Percent- age of 1947-1946
<u>Maritime Provinces -</u>				
Halifax .....	537,466,541	514,243,665	+ 23,222,876	104.5
Moncton .....	172,548,068	152,143,536	+ 20,404,532	113.4
Saint John .....	291,738,743	262,847,885	+ 28,890,858	111.0
Total - Maritime Provinces	1,001,753,352	929,235,086	+ 72,518,266	107.8
<u>Quebec -</u>				
Montreal .....	12,409,320,188	10,895,182,298	+1,514,137,890	113.9
Quebec .....	1,091,658,494	990,658,467	+ 101,000,027	110.2
Sherbrooke .....	126,172,596	108,758,442	+ 17,414,154	116.0
Total - Quebec .....	13,627,151,278	11,994,599,207	+1,632,552,071	113.6
<u>Ontario -</u>				
Brantford .....	185,042,733	153,001,348	+ 32,041,385	120.9
Chatham .....	134,648,435	102,055,082	+ 32,593,353	131.9
Fort William .....	111,926,107	98,782,740	+ 13,143,367	113.3
Hamilton .....	983,522,332	816,662,906	+ 66,859,426	120.4
Kingston .....	120,580,006	113,769,029	+ 6,810,977	106.0
Kitchener .....	244,588,683	213,728,354	+ 30,860,329	114.4
London .....	569,448,485	508,637,924	+ 60,810,561	112.0
Ottawa .....	2,382,005,580	3,053,138,153	- 671,132,573	78.0
Peterborough .....	130,044,810	109,724,764	+ 20,320,046	118.5
St. Catharines .....	171,162,250	138,505,370	+ 32,656,880	123.6
Sarnia .....	150,848,503	131,287,691	+ 19,560,812	114.9
Sudbury .....	103,183,818	82,825,754	+ 20,358,064	124.6
Toronto .....	11,690,844,566	12,080,696,489	- 389,851,923	96.8
Windsor .....	622,040,919	528,251,072	+ 93,789,847	117.8
Total - Ontario .....	17,599,887,227	18,131,066,676	- 531,179,449	97.1
<u>Prairie Provinces -</u>				
Brandon .....	58,899,237	58,559,034	+ 340,203	100.6
Calgary .....	1,002,499,804	859,781,479	+ 142,718,325	116.6
Edmonton .....	748,133,073	685,849,263	+ 62,283,810	109.1
Lethbridge .....	93,855,829	78,801,573	+ 15,054,256	119.1
Medicine Hat .....	50,975,883	39,986,427	+ 10,989,456	127.5
Moose Jaw .....	113,299,695	102,218,257	+ 11,081,438	110.8
Prince Albert .....	60,756,401	58,155,815	+ 2,600,586	104.5
Regina .....	600,960,622	498,260,905	+ 102,699,717	120.6
Saskatoon .....	210,081,963	190,558,031	+ 19,523,932	110.2
Winnipeg .....	3,665,417,122	3,329,162,143	+ 336,254,979	110.1
Total - Prairie Provinces	6,604,879,629	5,901,332,927	+ 703,546,702	111.9
<u>British Columbia -</u>				
New Westminster .....	150,421,714	128,250,663	+ 22,171,051	117.3
Vancouver .....	3,039,644,135	2,490,029,935	+ 549,614,200	122.1
Victoria .....	509,576,410	456,816,297	+ 52,760,113	111.5
Total - British Columbia .	3,699,642,259	3,075,096,895	+ 624,545,364	120.3
GRAND TOTAL FOR CANADA ...	42,533,313,745	40,031,330,791	+2,501,982,954	106.3







# MONEY SUPPLY WITH COMPARISONS CONCLUDED

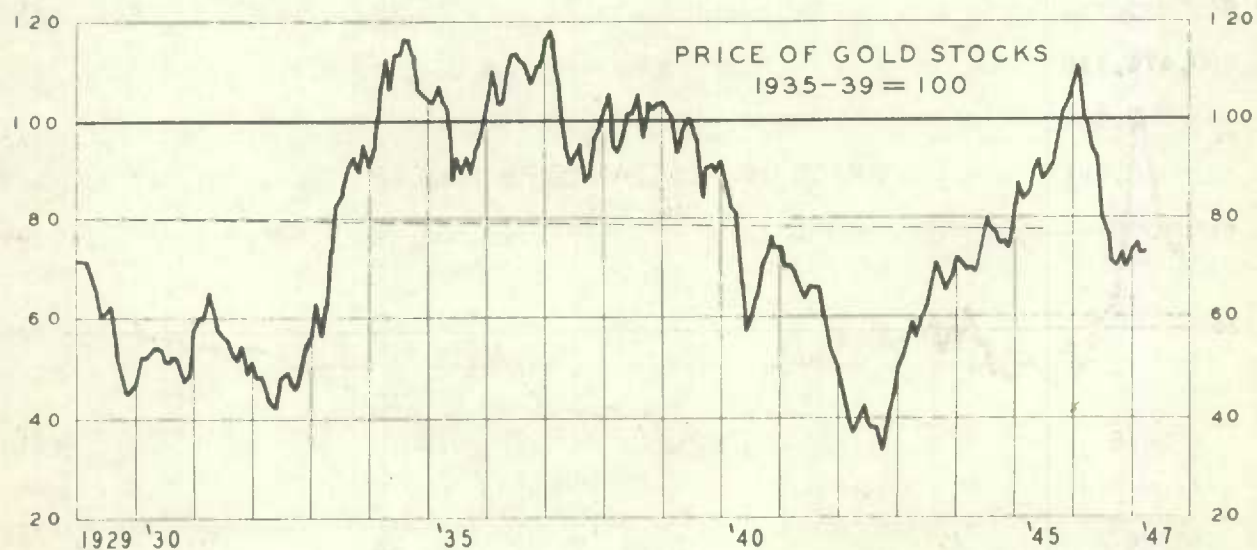
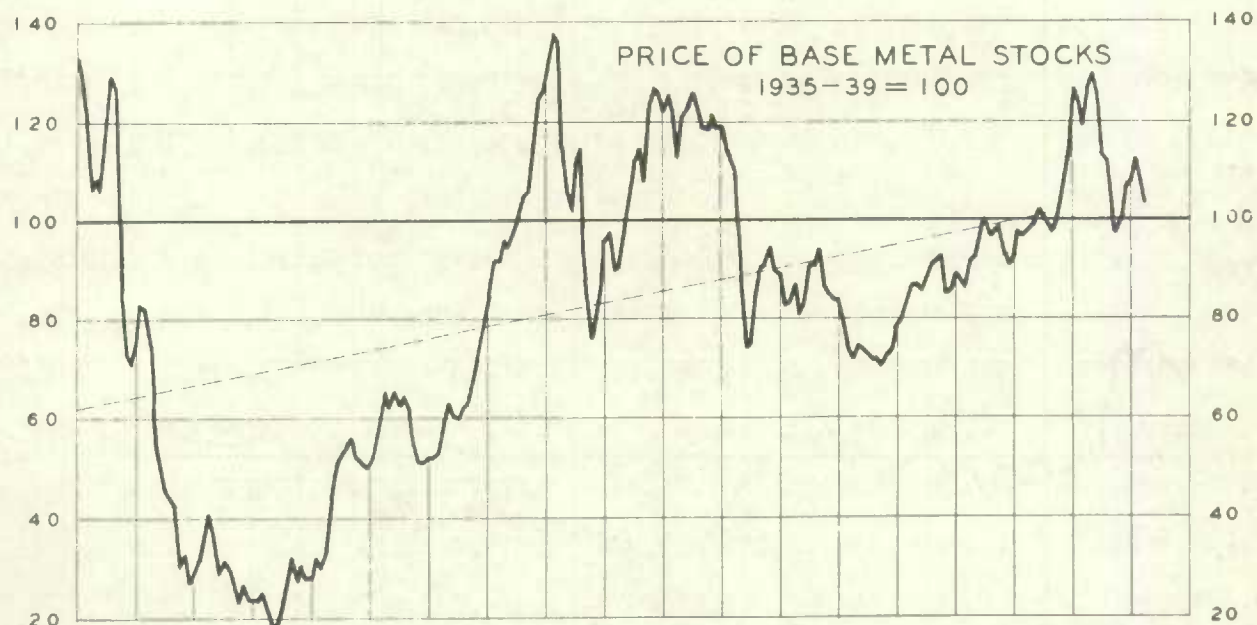
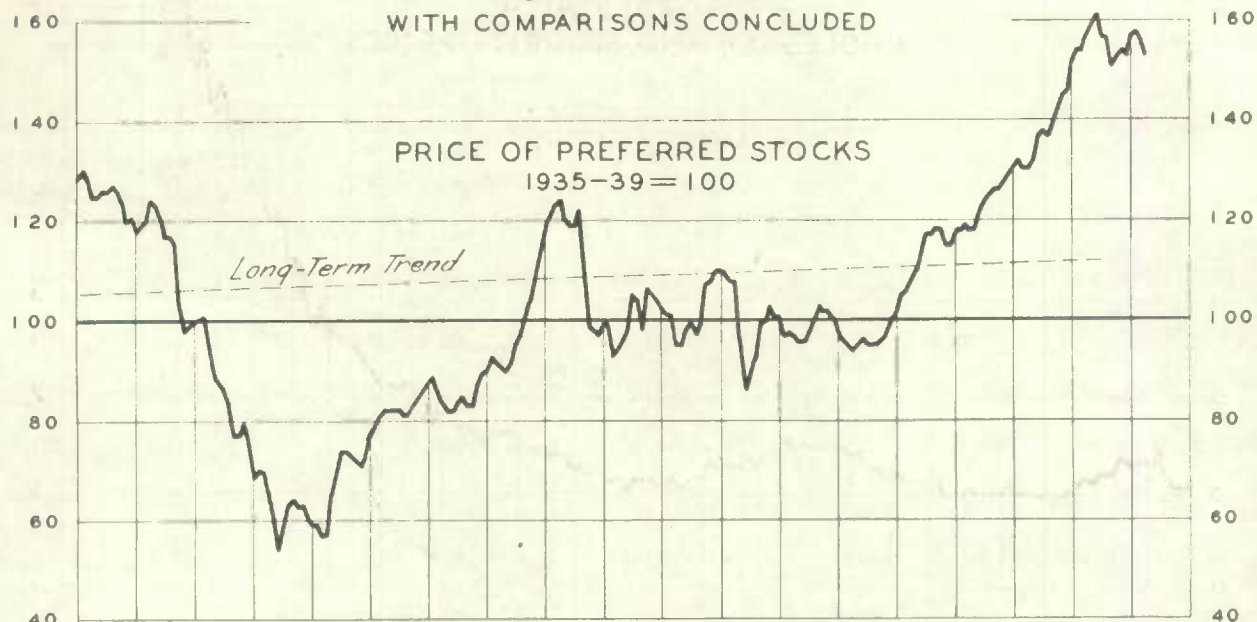


TABLE 3. - CHEQUES CASHED IN CLEARING CENTRES, FIRST SEVEN MONTHS - 1925 - 1947.

DOLLARS

Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
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	1,118,790,595
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	8,938,991,692	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	2,193,625,558
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	40,031,330,791	929,235,086	11,994,599,207	18,131,066,676	5,901,332,927	3,075,096,895
1947	42,533,313,745	1,001,753,352	13,627,151,278	17,599,887,227	6,604,879,629	3,699,642,259

Percentage increase of 1947 over 1929 and 1938.

P.c. to 1929	+ 58.5	+115.0	+ 44.7	+ 59.9	+ 57.8	+110.2
P.c. to 1938	+149.4	+176.6	+144.9	+121.7	+209.6	+251.0



TABLE 4. - CHEQUES CASHED IN ECONOMIC AREAS-SHOWING TYPE OF ACCOUNT

Type of Accounts	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	July, 1947	June, 1947	July, 1947	June, 1947
	\$	\$	\$	\$
Maritime Provinces .....	143,993,224	180,589,862	7,883,639	8,623,560
Quebec .....	1,870,898,997	1,690,569,290	99,599,156	95,504,064
Ontario .....	2,231,755,826	2,246,025,378	144,132,306	156,566,786
Prairie Provinces .....	1,013,412,402	1,029,666,853	47,262,268	55,513,725
British Columbia .....	485,076,118	464,064,973	79,883,617	48,234,570
GRAND TOTAL FOR CANADA ..	5,745,136,567	5,610,916,356	378,760,986	364,442,705

TABLE 5. - CHEQUES CASHED AGAINST CURRENT AND SAVINGS ACCOUNTS \$ 000

	1 9 4 6		1 9 4 7			
	June	July	March	April	May	June
Cheques Cashed, Current ....	5,266,566	5,203,838	5,411,880	5,700,878	6,442,146	5,610,916
Current Deposits - Average .	2,638,763	2,585,662	2,834,521	2,888,442	2,802,471	2,644,490
Velocity of Current Accounts	2.00	2.01	1.91	1.97	2.30	2.12
Cheques cashed, Savings ....	342,854	343,024	325,242	342,355	399,005	364,443
Savings Deposits - Average .	3,334,588	3,387,165	3,602,793	3,628,301	3,659,831	3,663,069
Velocity Savings Accounts ..	0.103	0.101	0.090	0.094	0.109	0.101

TABLE 6. - RELATION OF CHEQUES CASHED TO OTHER FACTORS  
1935-39=100

Economic Indexes	1 9 4 6		1 9 4 7			
	June	July	March	April	May	June
Cheques cashed adjusted .....	190.2	199.1	226.9	232.4	230.8	202.6
Employment (8 Industries) .....	156.4	159.8	166.1	166.4	165.5	169.9
Percentage Unemployed .....	3.9	3.2	4.8	3.9	2.8	2.2
Wholesale Prices .....	141.8	142.4	156.2	159.5	162.6	165.8
Cost of Living .....	123.6	125.1	128.9	130.6	133.1	134.9
Common Stocks .....	123.3	119.1	106.4	104.8	104.4	105.3

TABLE 7. - MONEY SUPPLY - MILLIONS OF DOLLARS

	1 9 4 6		1 9 4 7			
	June	July	March	April	May	June
Money Supply (M+M1) .....	6,974.6	7,097.3	7,502.7	7,694.1	7,394.0	7,397.0
Bank Notes in Circulation-						
Bank of Canada .....	1,114.0	1,117.9	1,153.2	1,153.9	1,148.1	1,152.6
Chartered Banks .....	23.3	22.9	20.7	20.5	20.2	19.9
Notes in hands of public ....	1,011.0	988.6	1,026.6	1,009.6	1,026.0	1,020.7
Subsidiary coin in hands of public .....	64.0	62.6	63.8	63.4	64.5	64.7
Total Circulating Media in hands of public (M) .....	1,075.0	1,051.2	1,090.4	1,073.0	1,090.5	1,085.4
Deposits -						
Deposits with Chartered Banks -						
Dominion Government .....	114.3	143.0	435.6	368.7	186.4	197.9
Provincial Government .....	128.1	136.0	137.3	183.9	143.6	124.1
Demand .....	2,150.3	2,197.1	1,995.7	2,166.2	2,053.3	2,185.8
Notice .....	3,363.5	3,410.9	3,619.3	3,637.3	3,682.4	3,643.8
Total .....	5,756.1	5,886.9	6,188.0	6,356.1	6,065.7	6,151.6
Deposits with Bank of Canada -						
Dominion Government .....	57.9	69.1	159.8	195.7	179.4	105.6
Other .....	85.6	90.1	64.6	69.3	58.5	54.4
Total .....	143.4	159.2	224.4	265.0	237.8	160.0
Total Deposits (M1) .....	5,899.6	6,046.1	6,412.4	6,621.1	6,303.5	6,311.6





0.2