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Asst. Deputy Governor

W. H. Scott

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CHEQUES CASHED

AND

MONEY SUPPLY

SEPTEMBER, 1947



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CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS, SEPTEMBER 1947

As measured by the amount of cheques cashed economic activity was greater in September than in the same month of last year. While the gain was less than in preceding months the favourable comparison with corresponding periods in 1946 was continued in September. The aggregate was \$5,934 million, a gain of nearly one per cent over September last year. Increases were recorded in three of the five economic areas, the exceptions being Quebec and Ontario. The greatest percentage increase was shown in the Maritime Provinces, while the advance in British Columbia was of large proportions.

Maritime Provinces.-

Each of the three centres in the Maritime Provinces recorded gains over the same month of last year. The net result for the area was an increase of 22.5 per cent. Halifax and Moncton showed increases greater than the average for the economic area. The total for the three centres was \$142 million against \$116 million in September 1946.

Quebec.-

Owing to the recession in Montreal, the total for Quebec was at a lower position than in September one year ago. Advances of nearly 40 per cent and 22 per cent were shown in Quebec and Sherbrooke, while Montreal recorded a decline of slightly more than 10 per cent. The provincial total was \$1,714 million against \$1,828 million.

Ontario.-

Twelve of the fourteen centres in Ontario recorded advances in this comparison. The greatest percentage increase was shown in Kitchener, where the cheques cashed were more than one-third greater than in September 1947. An excellent showing was made in Chatham, Sudbury, Windsor and Fort William. Recessions from the high level of last year were shown in Ottawa and Sarnia. The total for Toronto was \$1,602 million compared with \$1,546 million. The total for the province was 3.5 per cent lower at \$2,426 million.

Prairie Provinces.-

Eight of the ten centres in the Prairie Provinces reported cheques cashed in larger amount than in the same month of last year. The exceptions were Edmonton and Moose Jaw. The total for Winnipeg showed an increase of 15.3 per cent at \$678 million. The total for the ten centres in the area advanced 13.7 per cent.

British Columbia.-

Each of the three centres in British Columbia recorded advances. The increase in Vancouver was more than 21 per cent to \$408 million. The total for the province rose from \$424 million to \$507 million, an increase of 19.4 per cent.

Comparison with the First Nine Months of 1946.-

Thirty-one of the thirty-three clearing centres recorded advances in the first nine months of the present year over 1946. The total for Canada was 5.7 per cent greater at \$53,704 million, an increase of \$2,916 million, reflecting the greater business activity and the higher level of prices.

Maritime Provinces.-

Increases were shown in each of the three clearing centres of the Maritime Provinces in the first nine months. The total was \$1,272 million, a gain of 8.4 per cent. The greatest percentage increase was shown in Moncton, followed by Saint John and Halifax in the order named. The greatest absolute increase, however, was recorded in Halifax where the total was \$679 million.

Quebec.-

The total for the province in the first nine months was 10 per cent greater at \$16,888 million. The advance in Montreal was 9.5 per cent, the total of \$15,277 million comparing with \$13,954 million in the same period of last year.

Ontario.-

In the Ontario area recessions were shown in Ottawa and Toronto, the remaining centres reporting advances over the first nine months of 1946. The cheques cashed in Toronto amounted to \$14,625 million compared with \$22,101 million in the clearing centres of the province. The cheques cashed in Ottawa and Hamilton were also in excess of one billion dollars in the period under review. The total for Ottawa was \$2,946 million compared with \$3,835 million. An increase of nearly 20 per cent, however, was shown in Hamilton. The greatest percentage increase was recorded in Chatham, where the total moved up from \$130 million to \$171 million. Important increases were shown in Sudbury and St. Catharines, where the percentage gains were 25.1 and 21.6, respectively.

Prairie Provinces.-

Each of the ten clearing centres in the Prairie Provinces recorded advances in the first nine months. The increase in Winnipeg was 12 per cent, the total in the first nine months of this year having been \$4,855 million. Calgary reported second place in this connection. The total was \$1,288 million, an increase of nearly 16 per cent having been indicated over the first nine months of 1946. The greatest percentage increase was shown in Medicine Hat where the total moved up from \$53 million to \$69 million. An absolute increase of \$154 million was shown in Regina, the percentage increase having been 22.6. The total for the Prairie Provinces was \$8,698 million, an increase of 12.8 per cent.

British Columbia.-

Each of the three centres in British Columbia recorded increases, the total for the province having been \$4,745 million, an advance of 22 per cent. The increase in Vancouver was outstanding at 23.6 per cent, the total in the first nine months having been \$3,890 million.

Long-Term Comparison.-

Four of the five economic areas showed a larger amount of cheques cashed in the first nine months of 1947 than in any other year on record. The exception was Ontario where the total for 1946 was somewhat greater than for the first nine months of the present year. The Canadian total was 143 per cent greater than in 1938 and 58.1 per cent larger than in 1929, the high point of the last major economic cycle. The Maritime Provinces recorded an increase of 115.6 per cent over 1929, while the gain in British Columbia was 239.5 per cent over 1938. British Columbia also showed an increase of 114.7 per cent over 1929 and the Prairie Provinces held second place in the percentage increase over 1938.

Turnover of Current and Savings Accounts.-

Cheques cashed against current accounts were \$4,926 million in August of the present year against \$4,566 million in the same month of 1946. The current deposits showed an increase from \$2,605 million to \$2,678 million. The outcome was that the turnover of current accounts was 1.84 in August against 1.75 in the same month of last year. The turnover of savings accounts receded from 0.087 to 0.083. Cheques cashed against savings accounts were \$310 million in August against \$300 million in the same month last year. The savings deposits rose from \$3,438 million to \$3,731 million. Consequently the velocity of current accounts was slightly greater than in August 1946, while the turnover of savings accounts was slightly less.

The index of cheques cashed was 227 in September against 225.4 in the same month of 1946. Volume and prices are ruling at a much higher level this year. The employment index in eight industries in August was 177.3 against 159.1 in the same month last year. The unemployment percentage dropped considerably from the levels of one year ago. The index of wholesale prices was 169.7 in August against 141.8 and the cost of living in September was 139.4 against 125.5. Common stock prices were slightly lower in September this year than in the same month of 1946.

Money Supply.-

Money supply was 5 per cent greater at the end of August than on the same date of last year. The deposits showed a gain of 5.6 per cent, while the circulating media, consisting of notes and coin in the hands of the public, were nearly 1.8 per cent greater. Demand deposits receded 4.2 per cent, while notice deposits rose nearly 9 per cent.

TABLE 1. CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES IN CANADA, SEPTEMBER 1947 WITH COMPARATIVE FIGURES FOR AUGUST 1947 AND SEPTEMBER 1946.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS				
Province and Clearing House Centres	September 1947	August 1947	September 1946	Percentage of September 1947 to September 1946
	\$	\$	\$	
<u>Maritime Provinces</u>				
Halifax	75,866,801	65,700,806	60,508,159	125.4
Moncton	26,731,745	24,613,761	20,701,504	129.1
Saint John	39,126,924	38,607,365	34,449,084	113.6
Total-Maritime Provinces	141,725,470	128,921,932	115,658,747	122.5
<u>Quebec</u>				
Montreal	1,504,894,039	1,362,418,176	1,675,904,644	89.8
Quebec	189,074,429	165,260,353	135,118,880	139.9
Sherbrooke	20,236,670	18,955,979	16,614,275	121.8
Total - Quebec	1,714,205,138	1,546,634,508	1,827,637,799	93.8
<u>Ontario</u>				
Brantford	25,132,431	24,677,691	21,449,659	117.2
Chatham	18,644,033	17,972,024	14,433,533	129.2
Fort William	21,154,145	16,762,335	16,916,922	125.0
Hamilton	140,084,672	129,935,682	117,190,425	119.5
Kingston	17,080,732	16,419,653	16,965,835	100.7
Kitchener	33,916,169	33,240,836	25,326,104	133.9
London	79,867,580	82,394,226	64,276,440	124.3
Ottawa	311,180,180	252,772,304	545,339,860	57.1
Peterborough	19,500,171	19,410,846	16,201,011	120.4
St. Catharines	25,182,027	22,933,403	20,920,257	120.4
Sarnia	22,376,509	19,304,962	22,421,396	99.8
Sudbury	16,530,931	16,425,485	13,049,153	126.7
Toronto	1,601,860,429	1,332,437,184	1,545,802,158	103.6
Windsor	93,478,428	90,029,519	74,686,323	125.2
Total - Ontario	2,425,988,437	2,074,716,150	2,514,979,146	96.5
<u>Prairie Provinces</u>				
Brandon	10,670,255	9,337,708	8,496,674	125.6
Calgary	145,275,119	140,046,317	125,752,120	115.5
Edmonton	84,868,230	111,258,451	101,754,331	83.4
Lethbridge	15,649,658	14,691,970	13,478,568	116.1
Medicine Hat	11,028,043	6,986,215	6,977,946	158.0
Moose Jaw	16,684,800	17,221,873	17,190,809	97.1
Prince Albert	8,747,013	9,272,520	8,311,829	105.2
Regina	138,055,087	92,869,390	108,807,084	126.9
Saskatoon	37,206,606	33,642,434	29,588,139	125.7
Winnipeg	677,630,241	511,825,459	587,691,874	115.3
Total -Prairie Provinces	1,145,815,052	947,152,337	1,008,049,374	113.7
<u>British Columbia</u>				
New Westminster	25,129,234	24,513,902	18,503,718	135.8
Vancouver	407,928,814	442,298,906	336,196,226	121.3
Victoria	73,582,469	72,088,520	69,484,226	105.9
Total-British Columbia	506,640,517	538,901,328	424,184,170	119.4
GRAND TOTAL FOR CANADA	5,934,374,614	5,236,326,255	5,890,509,236	100.7

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

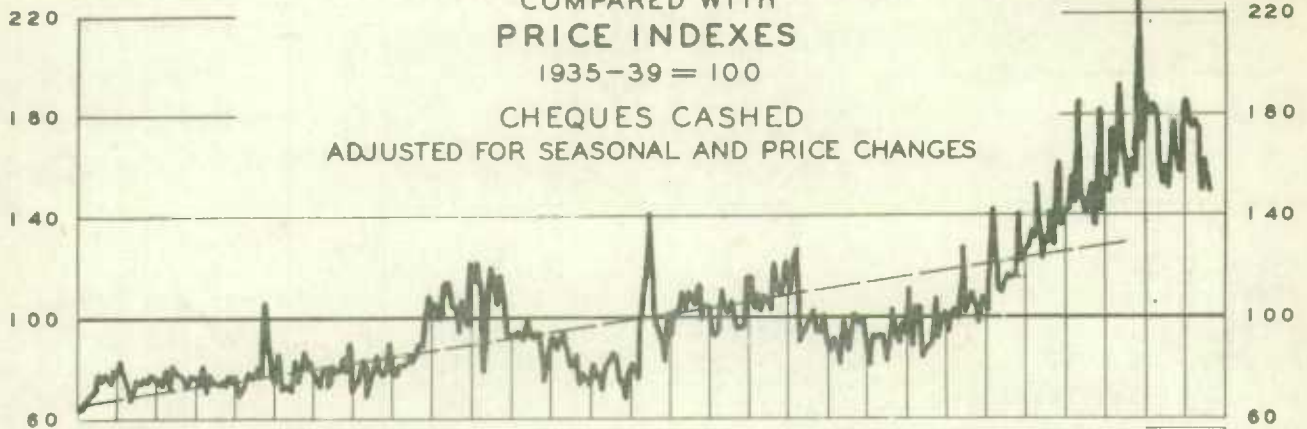
	First Nine Months 1 9 4 7	First Nine Months 1 9 4 6	Increase (+) Decrease (-)	Percent- age of 1947-1946
	\$	\$	\$	
<u>Maritime Provinces -</u>				
Halifax	679,034,148	642,352,260	+ 36,681,888	105.7
Moncton	223,893,574	196,887,288	+ 27,006,286	113.7
Saint John	369,473,032	334,061,736	+ 35,411,296	110.6
Total - Maritime Provinces	1,272,400,754	1,173,301,284	+ 99,099,470	108.4
<u>Quebec -</u>				
Montreal	15,276,632,403	13,953,639,066	+1,322,993,337	109.5
Quebec	1,445,993,276	1,250,316,829	+ 195,676,447	115.7
Sherbrooke	165,365,245	143,643,570	+ 21,721,675	115.1
Total - Quebec	16,887,990,924	15,347,599,465	+1,540,391,459	110.0
<u>Ontario -</u>				
Brantford	234,852,855	197,636,093	+ 37,216,762	118.8
Chatham	171,264,492	129,737,711	+ 41,526,781	132.0
Fort William	149,842,587	132,238,969	+ 17,603,618	113.3
Hamilton	1,253,542,686	1,045,291,403	+ 208,251,283	119.9
Kingston	154,080,391	146,109,905	+ 7,970,486	105.5
Kitchener	311,745,688	263,469,339	+ 48,276,349	118.3
London	731,710,291	644,698,869	+ 87,011,422	113.5
Ottawa	2,945,958,064	3,838,576,821	- 892,618,757	76.7
Peterborough	168,955,827	141,418,134	+ 27,537,693	119.5
St. Catharines	219,277,680	180,376,669	+ 38,901,011	121.6
Sarnia	192,529,974	176,955,474	+ 15,574,500	108.8
Sudbury	136,140,234	108,811,423	+ 27,328,811	125.1
Toronto	14,625,142,179	14,964,206,316	- 339,064,137	97.7
Windsor	805,548,866	696,640,489	+ 108,908,377	115.6
Total - Ontario	22,100,591,814	22,666,167,615	- 565,575,801	97.5
<u>Prairie Provinces -</u>				
Brandon	78,907,200	75,010,207	+ 3,896,993	105.2
Calgary	1,287,821,240	1,110,810,577	+ 177,010,663	115.9
Edmonton	944,259,754	894,888,087	+ 49,371,667	105.5
Lethbridge	124,197,457	105,810,639	+ 18,386,818	117.4
Medicine Hat	68,990,141	52,993,658	+ 15,996,483	130.2
Moose Jaw	147,206,368	133,640,750	+ 13,565,618	110.2
Prince Albert	78,775,934	74,904,759	+ 3,871,175	105.1
Regina	831,885,099	678,291,980	+ 153,593,119	122.6
Saskatoon	280,931,003	250,322,137	+ 30,608,866	112.2
Winnipeg	4,854,872,822	4,334,369,545	+ 520,503,277	112.0
Total - Prairie Provinces	8,697,847,018	7,711,042,339	+ 986,804,679	112.8
<u>British Columbia -</u>				
New Westminster	200,064,850	165,461,251	+ 34,603,599	120.9
Vancouver	3,889,871,855	3,147,289,673	+ 742,582,182	123.6
Victoria	655,247,399	577,517,986	+ 77,729,413	113.5
Total - British Columbia	4,745,184,104	3,890,268,910	+ 854,915,194	122.0
GRAND TOTAL FOR CANADA ..	53,704,014,614	50,788,379,613	+ 2,915,635,001	105.7

CHEQUES CASHED

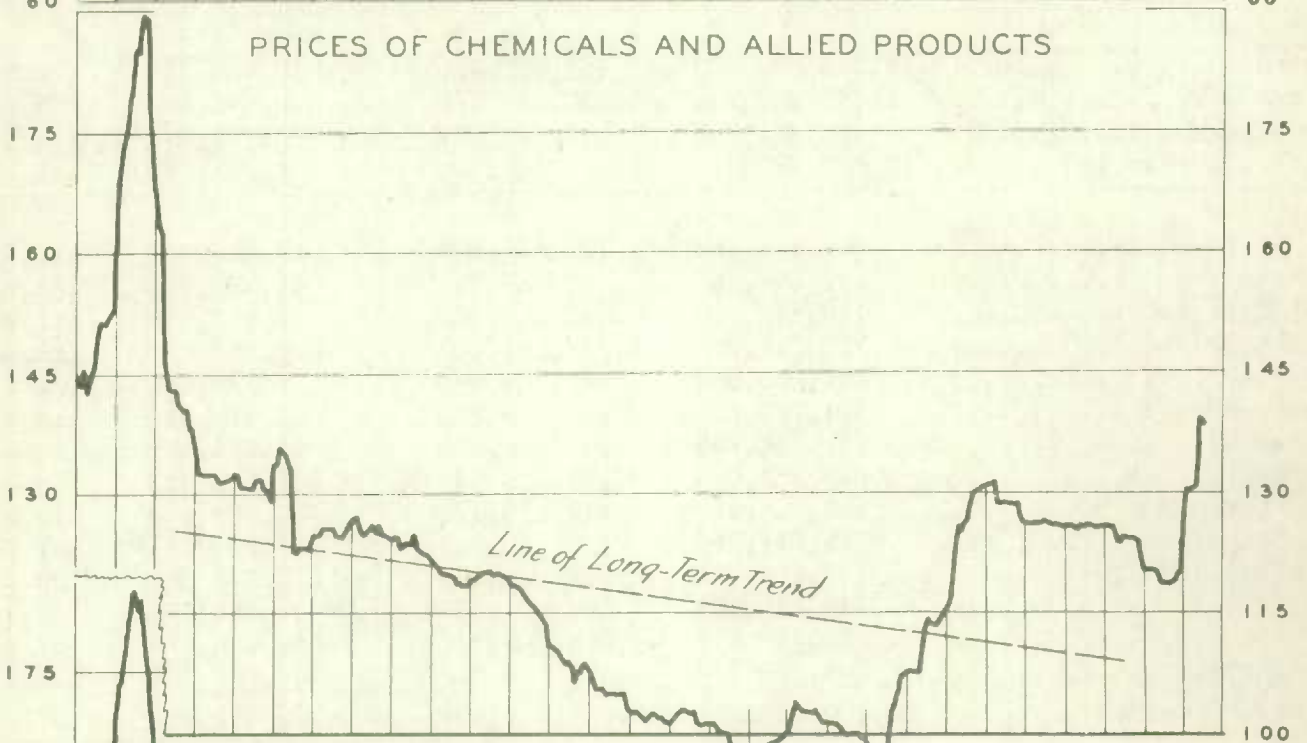
COMPARED WITH
PRICE INDEXES

1935-39 = 100

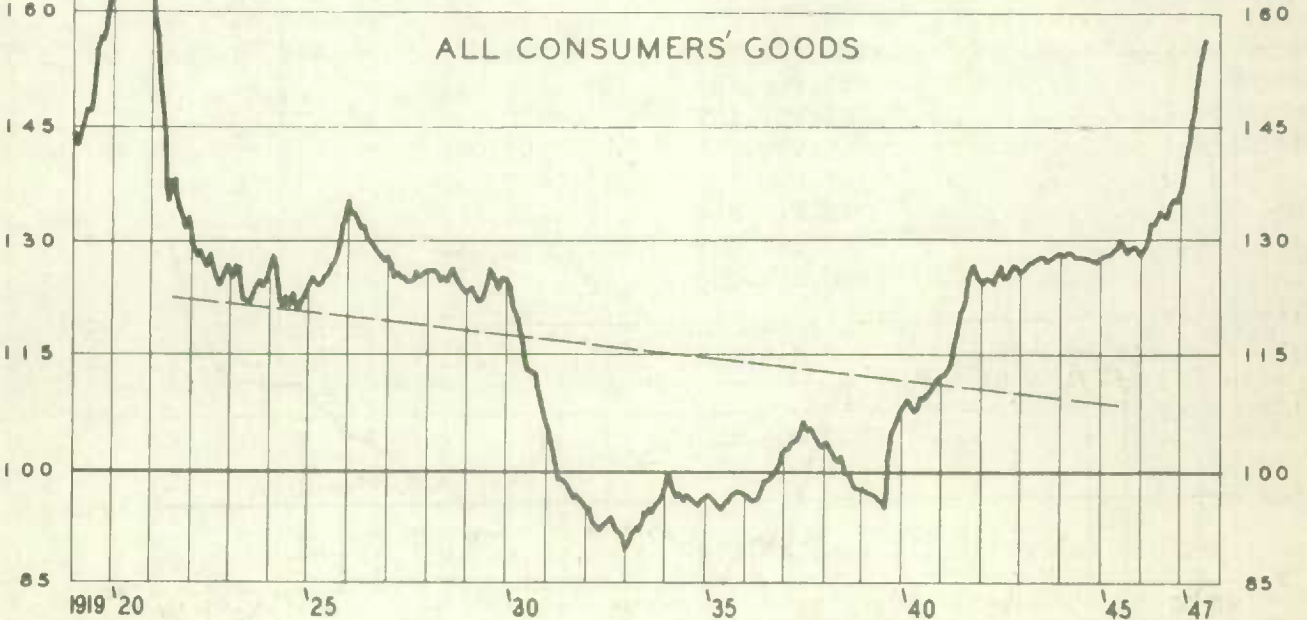
CHEQUES CASHED
ADJUSTED FOR SEASONAL AND PRICE CHANGES



PRICES OF CHEMICALS AND ALLIED PRODUCTS



ALL CONSUMERS' GOODS



CHEQUES CASHED

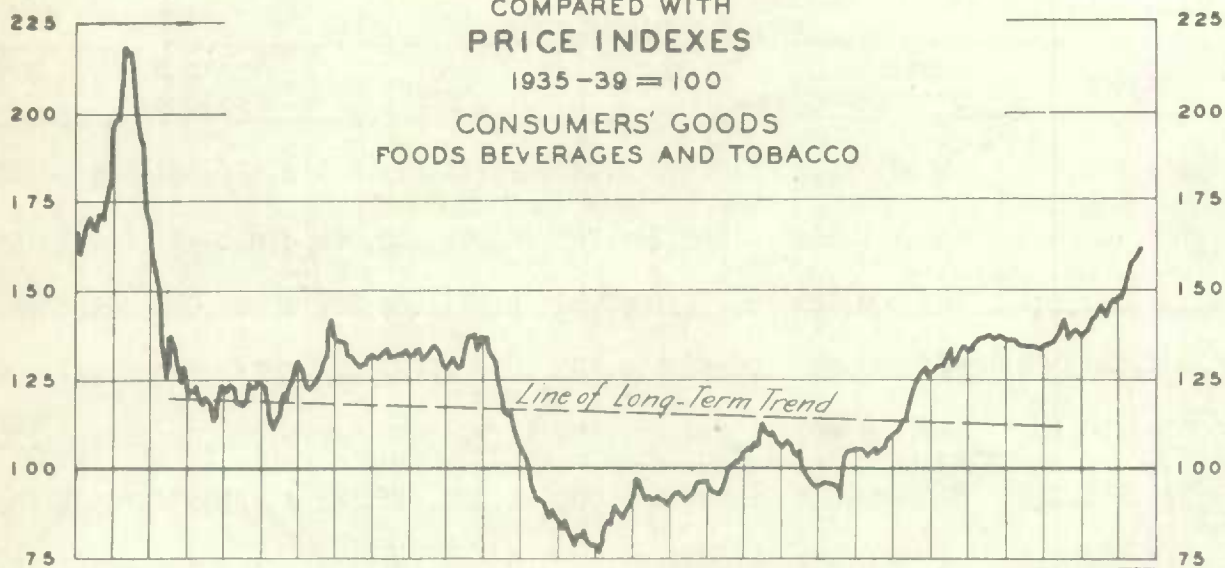
COMPARED WITH

PRICE INDEXES

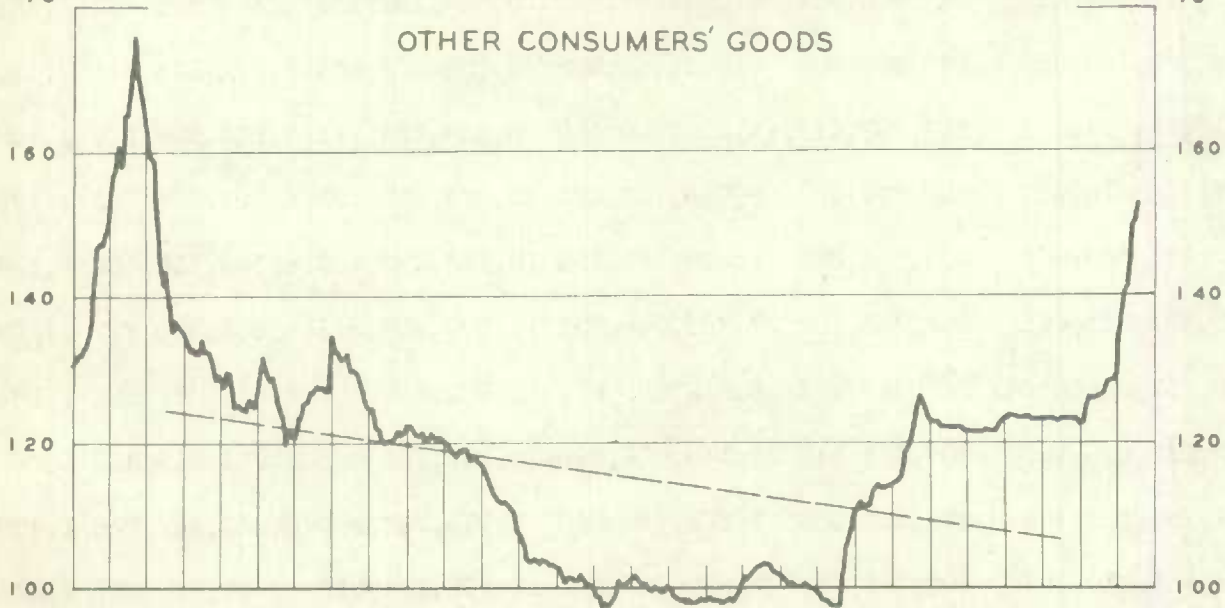
1935-39 = 100

CONSUMERS' GOODS

FOODS BEVERAGES AND TOBACCO



OTHER CONSUMERS' GOODS



ALL PRODUCERS' GOODS

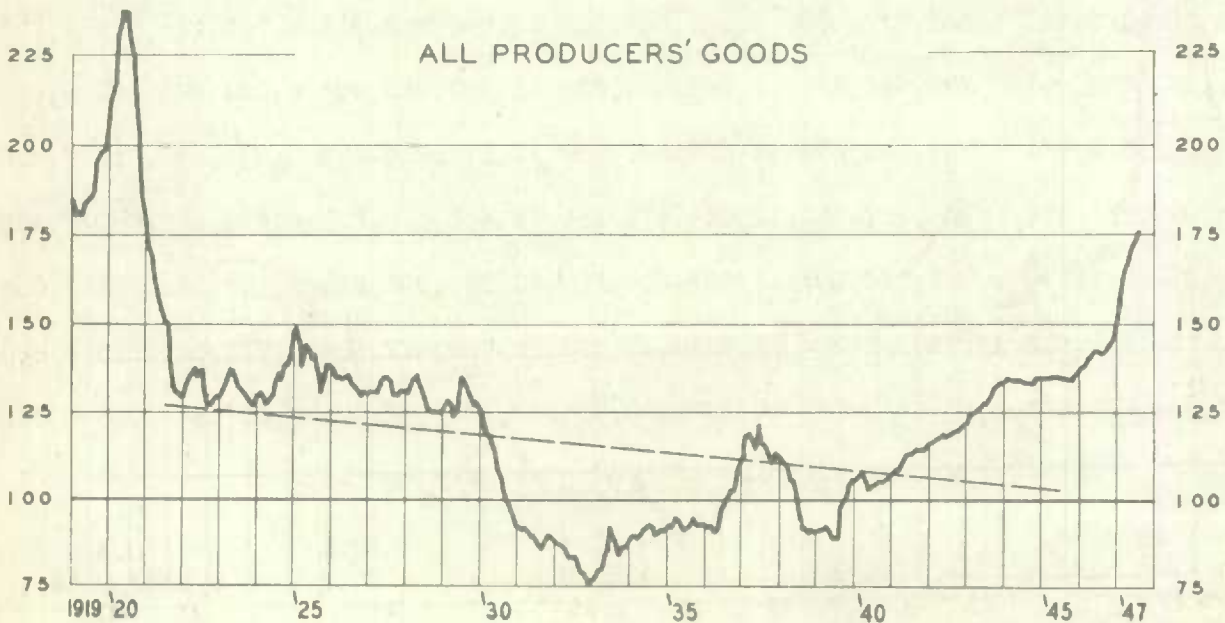


TABLE 5. - CHEQUES CASHED IN CLEARING CENTRES IN THE FIRST NINE MONTHS, 1925-47

DOLLARS						
Year	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1925	19,346,695,070	415,610,399	5,979,548,845	7,765,531,821	3,850,624,005	1,335,380,000
1926	21,768,438,518	456,751,154	7,068,264,763	8,775,122,842	4,032,955,902	1,435,343,857
1927	24,156,870,155	452,958,621	8,275,596,952	9,971,563,565	3,987,002,246	1,469,748,771
1928	30,901,642,725	547,388,395	10,865,610,796	12,309,491,074	5,372,813,231	1,806,339,229
1929	33,976,110,701	590,226,609	11,946,821,552	13,804,420,507	5,424,024,335	2,210,617,698
1930	27,887,943,009	523,888,312	9,756,359,093	11,239,311,581	4,583,277,783	1,785,106,240
1931	23,519,654,813	477,959,084	8,096,557,911	10,022,281,436	3,566,868,492	1,355,987,890
1932	18,926,189,438	395,866,905	5,758,163,982	8,269,207,881	3,372,175,545	1,130,775,125
1933	21,828,717,158	351,092,478	6,208,640,450	9,324,234,771	4,835,699,730	1,109,049,729
1934	23,324,418,039	392,699,927	6,758,103,475	10,489,034,102	4,485,203,764	1,199,376,771
1935	22,684,735,206	409,534,678	6,498,153,625	10,173,299,486	4,389,716,429	1,214,030,988
1936	25,893,227,551	454,730,102	7,761,040,092	11,292,406,343	4,855,730,967	1,529,320,047
1937	26,253,228,012	547,385,404	8,652,895,855	11,922,516,806	3,545,427,882	1,585,002,065
1938	22,077,380,950	467,856,316	7,148,016,956	10,032,718,025	3,031,419,893	1,397,369,760
1939	22,731,223,488	476,822,000	7,361,731,600	9,973,260,957	3,432,461,298	1,486,947,633
1940	24,653,179,987	598,178,394	7,280,757,878	10,778,684,615	4,427,768,201	1,567,790,899
1941	28,502,328,222	681,317,676	8,001,087,949	13,269,203,311	4,757,276,773	1,793,442,513
1942	32,291,692,092	779,636,275	9,041,035,338	15,787,723,984	4,634,243,607	2,049,052,888
1943	38,378,602,921	892,189,684	11,010,506,458	17,877,238,182	6,222,344,012	2,376,324,585
1944	44,010,865,316	936,237,587	12,548,870,530	19,473,375,225	8,291,582,880	2,760,799,094
1945	47,970,221,746	1,095,244,307	13,593,690,336	22,088,955,840	8,158,326,635	3,034,004,628
1946	50,788,379,613	1,173,301,284	15,347,599,465	22,666,167,615	7,711,042,339	3,890,268,910
1947	53,704,014,614	1,272,400,754	16,887,990,924	22,100,591,814	8,697,847,018	4,745,184,104
Percentage increase of 1947 over 1929 and 1938						
P.c. to 1929	+ 58.1	+115.6	+ 41.4	+ 60.1	+ 60.4	+114.7
P.c. to 1938	+143.3	+172.0	+136.3	+120.3	+186.9	+239.5

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

Type of Accounts	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	September, 1947	August, 1947	September, 1947	August, 1947
Maritime Provinces	133,360,198	121,904,557	8,365,272	7,017,375
Quebec	1,614,074,257	1,461,268,494	100,130,881	85,366,014
Ontario	2,254,295,096	1,954,601,437	171,693,341	120,114,713
Prairie Provinces	1,092,218,006	896,120,479	53,597,046	51,031,858
British Columbia	451,715,329	492,428,685	54,925,188	46,472,643
GRAND TOTAL FOR CANADA ..	5,545,662,886	4,926,323,652	388,711,728	310,002,603

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

	1 9 4 6			1 9 4 7		
	August	September	May	June	July	August
Cheques Cashed, Current	4,566,334	5,548,916	6,442,146	5,610,916	5,745,137	4,926,324
Current Deposits - Average ..	2,605,143	2,601,723	2,802,471	2,644,490	2,668,264	2,677,974
Velocity of Current Accounts.	1.75	2.13	2.30	2.12	2.15	1.84
Cheques cashed, Savings	300,206	347,593	399,005	364,443	378,761	310,003
Savings Deposits - Average ..	3,438,294	3,494,938	3,659,831	3,663,069	3,666,613	3,731,345
Velocity Savings Accounts ...	0.087	0.098	0.109	0.101	0.103	0.083

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

Economic Indexes	1 9 4 6			1 9 4 7		
	August	September	May	June	July	August
Cheques cashed adjust	190.2	225.4	230.8	202.6	219.9	204.6
Employment (8 Industries)	159.1	161.6	165.5	169.9	174.1	177.3
Percentage Unemployed	2.9	2.7	2.8	2.2	2.0	1.8
Wholesale Prices	141.8	141.7	162.6	165.8	167.5	169.7
Cost of Living	125.6	125.5	133.1	134.9	135.9	136.6
Common Stocks	116.9	104.4	104.4	105.3	107.4	105.5

TABLE 7. - MONEY SUPPLY - MILLIONS OF DOLLARS

	1 9 4 6			1 9 4 7		
	August	September	May	June	July	August
Money Supply (M+M1) ...	7,120.6	7,232.0	7,394.0	7,397.0	7,430.2	7,476.7
Bank Notes in Circulation -						
Bank of Canada	1,127.4	1,147.5	1,148.1	1,152.6	1,153.7	1,158.9
Chartered Banks	22.5	22.2	20.2	19.9	19.5	19.2
Notes in hands of public	1,015.9	1,016.1	1,026.0	1,020.7	1,008.2	1,033.8
Subsidiary coin in hands of public	63.9	63.3	64.5	64.7	63.9	65.2
Total Circulating Media in hands of public (M) ..	1,079.8	1,079.5	1,090.5	1,085.4	1,072.1	1,099.0
Deposits -						
Deposits with Chartered Banks						
Dominion Government	153.8	120.7	186.4	197.9	230.3	238.0
Provincial Government ..	124.3	127.2	143.6	124.1	125.0	115.3
Demand	2,148.2	2,265.3	2,053.3	2,185.8	2,125.6	2,058.2
Notice	3,465.7	3,524.1	3,682.4	3,643.8	3,689.5	3,774.0
Total	5,892.1	6,037.4	6,065.7	6,151.6	6,170.4	6,185.5
Deposits with Bank of Canada						
Dominion Government	69.1	27.4	179.4	105.6	124.1	133.6
Other	79.7	87.8	58.5	54.4	63.7	58.7
Total	148.7	115.2	237.8	160.0	187.7	192.2
Total Deposits (M1)	6,040.8	6,152.5	6,303.5	6,311.6	6,358.1	6,377.8

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