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CHEQUES CASHED
IN
CLEARING CENTRES
JULY, 1949



**DOMINION BUREAU OF STATISTICS
DEPARTMENT OF TRADE AND COMMERCE**

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CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS

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The continuing high level of economic activity was reflected by an increase, in July, of 4.2 per cent in the amount of cheques cashed as compared with the same month last year. The country-wide total was \$7,017 million, about \$282 million more than in July 1948. Wholesale prices and industrial production have also shown gains recently over the same month one year ago.

Four of the five economic areas recorded increases. Quebec, largely because of a drop of nearly one per cent in the total for Montreal, receded slightly as compared with July 1948. The gain of 7.4 per cent shown for the Maritime area reflected the inclusion of St. John's Newfoundland, for which no comparable data exist for preceding years. The increase recorded in Moncton was overshadowed by declines in Halifax and St. John.

The best showing was registered in Ontario where eleven of the fourteen centres recorded increases. The total rose 8.5 per cent over the same month last year. Fort William, Kingston and Ottawa were the only cities with percentage losses. The largest centre, Toronto, showed a gain of 11.4 per cent.

In the Prairie Provinces, Medicine Hat, Regina, Saskatoon and Winnipeg failed to equal last year's showing. Nevertheless increases recorded by the other six centres resulted in a gain of nearly 2 per cent for the area. Calgary and Lethbridge, with advances of 23.8 and 21.2 per cent respectively over July 1948, led all clearing centres in Canada in this comparison.

Declines in New Westminster and Vancouver were counter-balanced by a gain of nearly 19 per cent in Victoria to result in an increase of 2.1 per cent for British Columbia.

A general glance at the number of percentage gains and losses recorded by individual clearing centres in recent months over the same months last year will reveal that July, which recorded the smallest over-all increase so far this year, viz. 4.2 per cent, also was the month in which the largest number of centres showed declines. Thirteen of the 33 centres for which comparisons are available recorded percentage losses.

The Seven Months

Cheques cashed in the first seven months of 1949 were greater than in any other similar period in history. The total was \$48.2 billion compared with \$44.8 billion in 1948, a gain of 7.7 per cent. All five economic areas recorded advances in this comparison. The Prairie Provinces, with an increase of 17.2 per cent made the best showing. Each of the centres in Quebec, Ontario and the Prairie Provinces showed gains with Lethbridge and Calgary leading all others. Their respective percentage increases were 32.2 and 25.1. Only Saint John and New Westminster recorded declines from 1948. Montreal and Toronto each advanced more than 4 per cent.

Each of the five economic areas rose to a new historical maximum. British Columbia, with an increase of 307 per cent over 1938, was followed closely by the Prairie Provinces with a gain of 302 per cent. The advance in the Canadian total has been continuous year by year since 1938. The total of the first seven months of 1949 was 182.6 per cent higher than the similar period of 1938 and 79.5 per cent above that of 1929, the banner year of the interwar period.

Deposit Turnover

The turnover of current deposits in June was greater than in the same month of 1948. The turnover is obtained by dividing the cheques cashed against current deposits by the average amount of such accounts during the month in question. The result is transferred to an annual basis to compare with twelve-month totals in previous years. The higher level of the turnover in June as compared with the same month of the preceding year was occasioned by the greater relative increase in cheques than in deposits. The former rose 11.4 per cent to \$6,742 million while the latter increased 7.7 per cent to \$2,999 million. The turnover of savings deposits, at 1.31, was slightly higher than in June 1948, when it was 1.29.

Economic Setting

A study of the principal factors which influence current economic activity showed that the majority recorded increases over the corresponding month last year. As revealed above, cheques cashed in July were 4.2 per cent higher than in the same month of 1948. The latest information available on wholesale prices indicated a rise of 2.8 per cent. The cost of living index in July increased 3.3 per cent over 1948.

Industrial production in June was 3.1 per cent higher and employment in nine leading industries advanced slightly over June 1948. Automobile production was nearly 29 per cent higher and steel production was up 4.3 per cent, while cotton bale openings and rubber consumption dropped 10.5 and 12.8 per cent respectively. Newsprint production showed a minor recession.

Railway traffic as measured by tons loaded declined 4.5 per cent. Retail trade, together with exports and imports registered gains over 1948. Building permits showed an increase of 19 per cent and electric power consumption was up 4.5 per cent.

Common stock prices dropped 10.4 per cent in July and the index of bond yields was off nearly 2 per cent as compared with the corresponding month last year. Dividend payments were up over 16 per cent and current loans increased 11.7 per cent. Dominion Government expenditures recorded a sharp advance of 45.5 per cent while revenues declined 18 per cent.

The Charts

The charts of this number present the trend of bank cheques cashed by months since January 1935 to the current period, in comparison with five indexes of prices. Aside from marked monthly fluctuations "cheques cashed" display a side-wise movement from 1935 to 1940 followed by an upward trend from that year to the present. While the expansion in the physical volume of industrial and commercial operations was the main element in the growth of bank debits during the war period, it is evident that the advance in prices was the predominant cause after the removal of price controls in 1946 and 1947. Of the five groups of commodities for which prices are depicted, the index of building and construction materials averaged highest during the fourteen-year period 1935-1948 and the deviation from the average was also outstanding.

TABLE 1. - CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE
CENTRES IN CANADA, JULY, 1949 WITH COMPARATIVE
FIGURES FOR JUNE, 1949 AND JULY, 1948

Province and Clearing House Centres	July 1949	June 1949	July 1948	Percentage of July 1949 to July 1948
<u>Maritimes and Newfoundland -</u>				
Halifax	100,616,084	99,986,526	108,831,088	92.5
Moncton	33,851,597	38,470,817	29,285,791	115.6
Saint John	42,791,872	42,000,472	56,402,349	75.9
St. John's	31,745,056	37,389,294	-	-
Maritimes and Newfoundland	209,004,609	217,847,109	194,519,228	107.4
<u>Quebec -</u>				
Montreal	1,780,022,834	1,872,891,954	1,795,620,152	99.1
Quebec	223,047,248	186,244,700	211,491,719	105.5
Sherbrooke	23,762,145	25,314,070	24,120,893	98.5
Total - Quebec	2,026,832,227	2,084,450,724	2,031,232,764	99.8
<u>Ontario -</u>				
Brantford	35,762,212	37,612,796	35,188,357	101.6
Chatham	27,108,879	24,791,370	23,252,206	116.6
Fort William	19,920,405	20,664,017	20,110,381	99.1
Hamilton	172,034,792	200,299,162	164,578,149	104.5
Kingston	20,726,314	22,941,930	20,904,201	99.1
Kitchener	39,386,961	42,584,785	38,924,305	101.2
London	97,644,212	108,397,778	91,287,203	107.0
Ottawa	271,860,354	307,367,186	287,026,613	94.7
Peterborough	25,828,989	25,249,447	22,705,573	113.8
St. Catharines	33,119,585	35,481,368	31,209,590	106.1
Sarnia	27,370,911	27,898,931	25,510,300	107.3
Sudbury	22,692,235	22,721,961	20,706,551	109.6
Toronto	2,107,225,006	1,975,326,096	1,891,985,361	111.4
Windsor	122,635,947	128,660,999	112,052,051	109.4
Total - Ontario	3,023,316,802	2,979,997,826	2,785,440,846	108.5
<u>Prairie Provinces -</u>				
Brandon	12,296,492	12,500,909	10,815,457	113.7
Calgary	193,705,564	207,197,492	156,405,105	123.8
Edmonton	149,040,947	160,113,647	135,507,143	110.0
Lethbridge	20,070,772	21,945,793	16,559,950	121.2
Medicine Hat	8,200,215	8,903,705	8,662,895	94.7
Moose Jaw	13,708,620	21,058,456	17,828,013	104.9
Prince Albert	10,308,507	10,138,769	9,694,721	106.3
Regina	90,779,357	108,764,341	97,593,813	93.0
Saskatoon	37,654,304	41,490,323	40,612,613	92.7
Winnipeg	615,580,816	689,166,448	640,934,843	96.0
Total - Prairie Provinces.	1,156,345,594	1,281,279,883	1,134,614,553	101.9
<u>British Columbia -</u>				
New Westminster	27,201,813	28,073,259	27,436,370	99.1
Vancouver	474,402,089	536,507,130	477,917,590	99.3
Victoria	100,255,360	88,098,837	84,409,704	118.8
Total - British Columbia .	601,859,262	652,679,226	589,763,664	102.1
GRAND TOTAL				
FOR CANADA	7,017,358,494	7,216,254,768	6,735,571,055	104.2

TABLE 2. - BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES
OF CANADA DURING THE FIRST SEVEN MONTHS OF 1949 COMPARED
WITH THE SAME PERIOD OF 1948

Province and Clearing House Centres	Seven Months 1949	Seven Months 1948	Increase (+) Decrease (-)	Percentage of 1949-1948
	\$ '000	\$ '000	\$ '000	%
Maritimes and Newfoundland -				
Halifax	602,812	599,077	+ 3,735	100.6
Moncton	216,507	189,732	+ 26,775	114.1
Saint John	295,827	326,759	- 30,932	90.5
St. John's	134,219	-	+ 134,219	-
Maritimes and Newfoundland ..	1,249,365	1,115,569	+ 133,796	112.0
Quebec -				
Montreal	12,296,104	11,790,309	+ 505,795	104.3
Quebec	1,385,334	1,379,978	+ 5,356	100.4
Sherbrooke	159,438	153,128	+ 6,310	104.1
Total - Quebec	13,840,875	13,323,414	+ 517,461	103.9
Ontario -				
Brantford	255,540	212,791	+ 42,749	120.1
Chatham	177,942	144,142	+ 33,800	123.4
Fort William	127,644	125,069	+ 2,575	102.1
Hamilton	1,236,788	1,096,209	+ 140,579	112.8
Kingston	136,971	132,925	+ 4,046	103.0
Kitchener	278,560	270,201	+ 8,359	103.1
London	656,734	605,981	+ 50,753	108.4
Ottawa	2,281,592	2,057,677	+ 223,915	110.9
Peterborough	159,634	144,732	+ 14,902	110.3
St. Catharines	219,253	200,936	+ 18,317	109.1
Sarnia	174,686	161,302	+ 13,384	108.3
Sudbury	147,889	123,727	+ 24,162	119.5
Toronto	13,527,343	12,999,999	+ 527,344	104.1
Windsor	840,219	748,128	+ 92,091	112.3
Total - Ontario	20,220,794	19,023,818	+ 1,196,976	106.3
Prairie Provinces -				
Brandon	77,535	71,038	+ 6,497	109.1
Calgary	1,330,306	1,063,548	+ 266,758	125.1
Edmonton	1,037,645	859,051	+ 178,594	120.8
Lethbridge	134,247	101,546	+ 32,701	132.2
Medicine Hat	57,850	50,864	+ 6,986	113.7
Moose Jaw	136,212	115,175	+ 21,037	118.3
Prince Albert	70,361	64,769	+ 5,592	108.6
Regina	739,682	602,570	+ 137,112	122.8
Saskatoon	246,777	239,179	+ 7,598	103.2
Winnipeg	4,751,793	4,156,814	+ 594,979	114.3
Total - Prairie Provinces ...	8,582,407	7,324,555	+ 1,257,852	117.2
British Columbia -				
New Westminster	176,578	189,522	- 12,944	93.2
Vancouver	3,536,540	3,241,828	+ 294,712	109.1
Victoria	581,116	543,520	+ 37,596	106.9
Total - British Columbia	4,294,233	3,974,871	+ 319,362	108.0
GRAND TOTAL				
FOR CANADA	48,187,674	44,762,226	+ 3,425,448	107.7

TABLE 3. - CHEQUES CASHED IN CLEARING CENTRES, FIRST SEVEN MONTHS,
1926 - 1949

Thousand Dollars

Year	CANADA	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1926	16,965,012	360,524	5,380,393	6,965,567	3,139,737	1,118,791
1927	18,705,615	345,860	6,451,884	7,728,229	3,047,808	1,131,834
1928	24,607,576	430,365	8,755,399	9,840,478	4,150,498	1,430,836
1929	26,839,469	465,926	9,416,815	11,010,029	4,186,674	1,760,024
1930	22,119,155	410,321	7,824,021	8,938,992	3,536,779	1,409,042
1931	18,825,548	377,712	6,452,711	8,132,468	2,785,529	1,077,129
1932	14,712,584	310,701	4,493,489	6,458,058	2,563,489	886,846
1933	16,723,096	269,031	4,739,585	7,277,977	3,590,280	846,223
1934	18,210,113	302,025	5,359,256	8,259,934	3,353,768	935,130
1935	17,761,238	314,330	5,119,396	8,198,528	3,188,189	940,794
1936	20,140,511	355,088	6,113,103	8,807,937	3,676,894	1,187,488
1937	20,906,746	431,353	6,850,718	9,641,460	2,743,655	1,239,559
1938	17,051,439	362,164	5,564,383	7,937,676	2,133,114	1,054,102
1939	17,509,832	365,980	5,744,306	7,887,871	2,356,679	1,154,996
1940	19,624,238	471,159	5,840,483	8,578,021	3,512,964	1,221,611
1941	22,051,806	524,897	6,127,812	10,349,947	3,670,035	1,379,116
1942	25,295,840	610,753	7,021,746	12,417,744	3,643,370	1,602,227
1943	29,873,333	704,960	8,620,144	13,971,551	4,743,823	1,832,856
1944	34,660,475	740,200	9,923,772	15,343,025	6,459,853	2,193,626
1945	38,086,305	845,830	10,849,832	17,630,311	6,393,854	2,366,477
1946	40,031,331	929,235	11,994,599	18,131,067	5,901,333	3,075,097
1947	42,533,314	1,001,753	13,627,151	17,599,887	6,604,880	3,699,642
1948	44,762,226	1,115,569	13,323,414	19,023,818	7,324,555	3,974,871
1949	^x 48,187,674	^x 1,249,365	13,840,875	20,220,794	8,582,407	4,294,233
Percentage increase over: 1929 ..	+ 79.5	+ 168.1	+ 47.0	+ 83.7	+ 105.0	+ 144.0
1938 ..	+ 182.6	+ 245.0	+ 148.7	+ 154.7	+ 302.3	+ 307.4

x Includes debits in St. John's, Newfoundland, since April only.

TABLE 4. - CHEQUES CASHED - DISTRIBUTED BY TYPE OF ACCOUNT \$ '000

Economic Area and Clearing House Centres	CURRENT ACCOUNTS		SAVINGS ACCOUNTS	
	July		July	
	1949	1948	1949	1948
Maritimes and Newfoundland -				
Halifax	96,930	104,518	3,686	4,313
Moncton	32,123	27,677	1,729	1,609
Saint John	38,979	53,563	3,813	2,839
St. John's	30,226	-	1,519	-
Total - Maritimes and Newfoundland	198,258	185,758	10,747	8,761
Quebec -				
Montreal	1,692,961	1,700,646	87,061	94,974
Quebec	208,126	199,748	14,921	11,744
Sherbrooke	22,284	22,579	1,478	1,542
Total - Quebec	1,923,372	1,922,973	103,461	108,260
Ontario -				
Brantford	33,480	32,407	2,282	2,781
Chatham	24,972	20,647	2,137	2,605
Fort William	18,104	18,638	1,816	1,472
Hamilton	158,317	152,031	13,718	12,547
Kingston	17,977	18,184	2,749	2,720
Kitchener	36,530	36,117	2,857	2,807
London	91,131	84,856	6,513	6,431
Ottawa	253,011	271,283	18,850	15,744
Peterborough	23,548	20,468	2,281	2,238
St. Catharines	29,253	27,339	3,867	3,871
Sarnia	25,239	23,416	2,132	2,094
Sudbury	19,393	17,880	3,300	2,826
Toronto	2,006,157	1,790,422	101,068	101,563
Windsor	114,560	103,520	8,076	8,532
Total - Ontario	2,851,670	2,617,209	171,647	168,232
Prairie Provinces -				
Brandon	11,181	9,861	1,116	954
Calgary	184,419	146,635	9,286	9,770
Edmonton	139,076	125,707	9,964	9,800
Lethbridge	18,718	15,012	1,353	1,548
Medicine Hat	7,322	7,784	878	879
Moose Jaw	17,218	16,397	1,491	1,431
Prince Albert	9,309	8,815	1,000	880
Regina	86,359	91,786	4,421	5,808
Saskatoon	34,633	37,938	3,022	2,675
Winnipeg	596,519	622,916	19,062	18,019
Total - Prairie Provinces	1,104,754	1,082,851	51,591	51,763
British Columbia -				
New Westminster	23,413	23,181	3,789	4,255
Vancouver	435,553	426,481	38,849	51,436
Victoria	91,930	75,557	8,325	8,853
Total - British Columbia	550,896	525,219	50,963	64,545
GRAND TOTAL				
FOR CANADA	6,628,950	6,334,011	388,409	401,560

TABLE 5, CHEQUES CASHED AGAINST CURRENT AND SAVINGS ACCOUNTS
\$ '000

		CURRENT ACCOUNTS			SAVINGS ACCOUNTS		
		Cheques Cashed	Deposits	Turn- over	Cheques Cashed	Savings Deposits	Turn- over
1943	.....	51,575,324	2,193,173	23.52	2,221,391	1,852,737	1.20
1944	.....	58,023,253	2,489,552	23.31	2,653,701	2,252,774	1.18
1945	.....	64,971,186	2,752,211	23.61	3,413,627	2,731,926	1.25
1946	.....	65,174,276	2,828,331	23.05	4,073,331	3,301,891	1.23
1947	.....	70,160,625	2,758,232	25.44	4,337,468	3,669,934	1.18
1948	.....	75,970,063	2,775,050	27.38	4,717,385	3,958,972	1.19
1947	June	5,610,916	2,644,490	25.46	364,443	3,663,069	1.19
	July	5,745,137	2,668,264	25.84	378,761	3,666,613	1.24
	Aug.	4,926,324	2,636,199	22.42	310,003	3,731,745	1.00
	Sept.	5,545,663	2,632,258	25.28	388,712	3,789,946	1.23
	Oct.	6,757,891	2,661,218	30.47	451,060	3,779,294	1.43
	Nov.	6,391,279	2,730,178	28.09	382,772	3,731,567	1.23
	Dec.	6,425,689	2,761,395	27.92	385,387	3,725,430	1.24
1948	Jan.	6,129,572	2,684,740	27.40	361,218	3,782,221	1.15
	Feb.	5,251,195	2,521,814	24.99	299,942	3,852,274	0.93
	Mar.	5,824,048	2,541,549	27.50	372,081	3,903,616	1.14
	Apr.	6,480,265	2,649,266	29.35	388,228	3,938,843	1.18
	May	6,041,737	2,714,719	26.71	403,823	3,953,027	1.23
	June	6,051,171	2,785,103	26.07	423,374	3,945,374	1.29
	July	6,334,011	2,763,850	27.50	401,560	3,947,450	1.22
	Aug.	5,392,566	2,745,623	23.57	347,256	3,980,924	1.05
	Sept.	6,329,152	2,847,471	26.67	380,585	4,025,590	1.13
	Oct.	7,220,472	2,916,784	29.71	433,117	4,044,221	1.29
	Nov.	7,589,604	3,012,721	30.23	432,377	4,062,798	1.28
	Dec.	7,326,270	3,116,958	28.21	473,822	4,071,322	1.40
1949	Jan.	6,563,891	3,100,684	25.40	364,620	4,087,444	1.07
	Feb.	5,649,733	3,053,956	22.20	326,605	4,138,673	0.95
	Mar.	6,452,251	2,932,735	26.40	415,280	4,211,762	1.18
	Apr.	6,842,062	2,848,191	28.83	424,738	4,301,503	1.18
	May	6,494,777	2,922,294	26.67	420,105	4,338,730	1.16
	June	6,742,084	2,999,005	26.98	474,171	4,334,167	1.31

Note: Turnover in the monthly section is placed on an annual footing.

TABLE 6. RELATION OF CHEQUES CASHED TO OTHER FACTORS

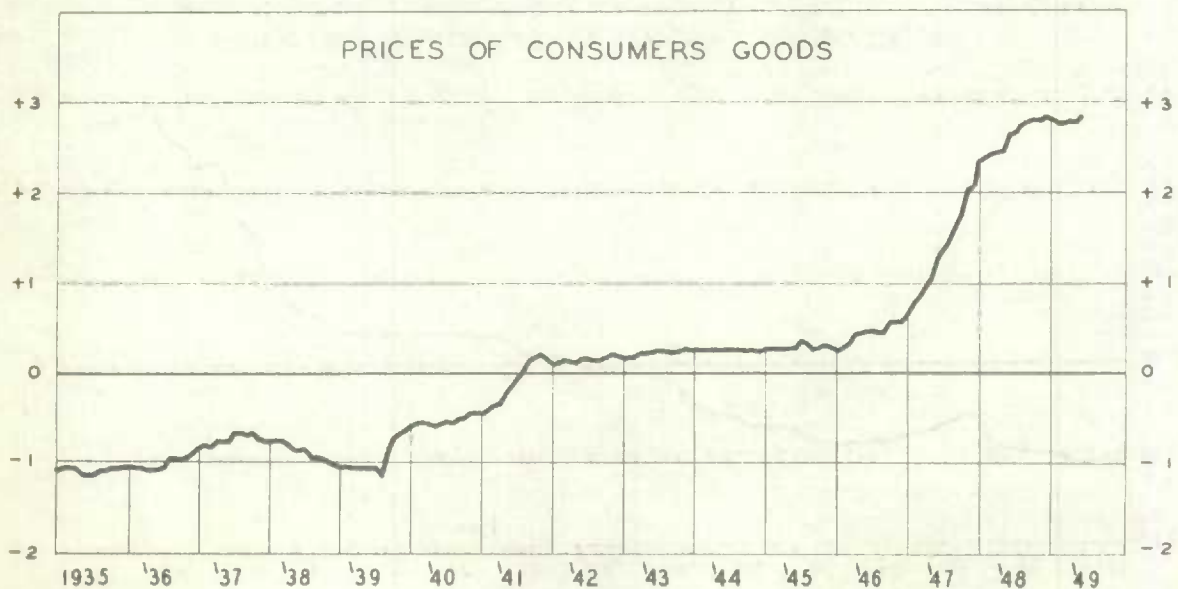
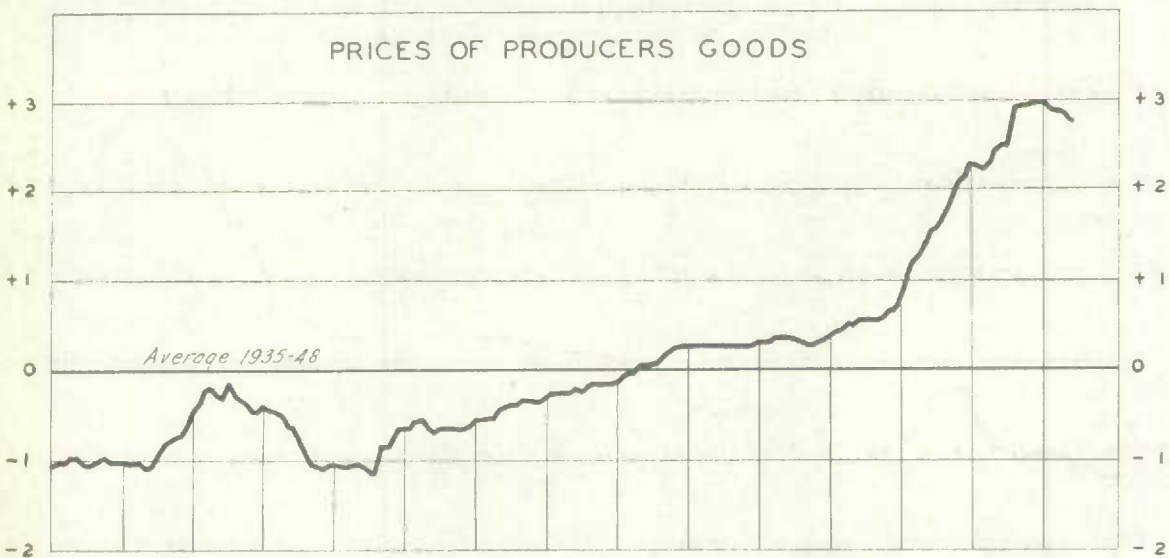
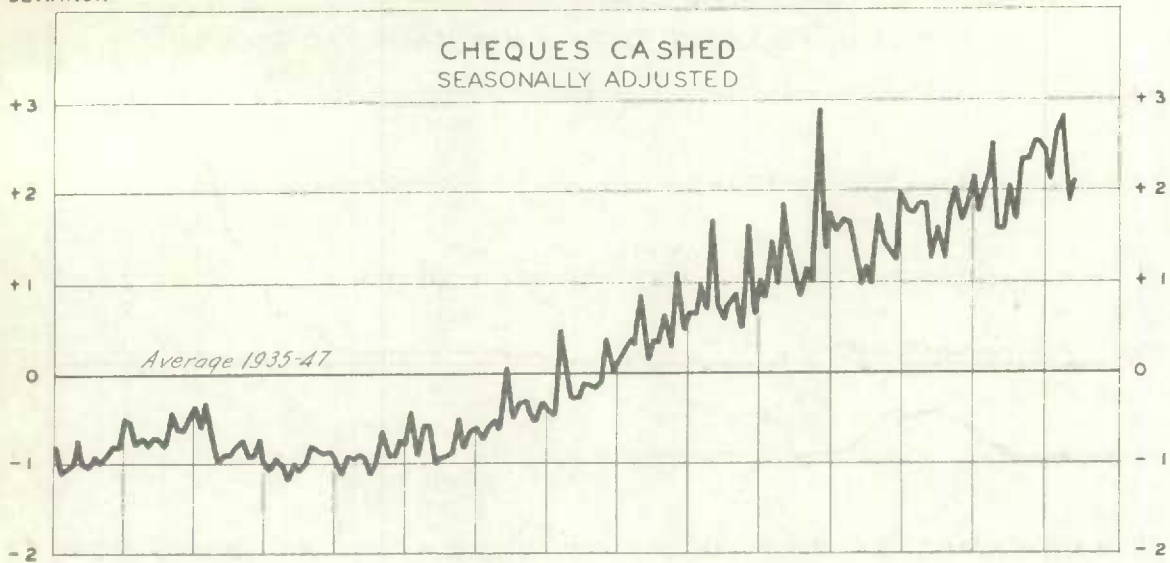
	Name of Unit		Latest month per Col (1)	Same month 1948 (3)	Percentage change 1949 to 1948 (4)
		(1)	(2)	(3)	(4)
Cheques Cashed	Million \$	July	7,017	6,736	+ 4.2
Industrial Production-Total ...	1935-39=100	June	185.9p	180.3	+ 3.1
Manufactures	1935-39=100	June	195.2p	190.3	+ 2.6
Mining	1935-39=100	June	-	123.7	-
Employment-9 Leading Industries	1926=100	June	193.1	190.8	+ 1.2
Manufactures	1926=100	June	204.9	203.6	+ 0.6
Rough and dressed lumber ..	1926=100	June	135.9	137.1	- 0.9
Textile Products	1926=100	June	184.6	179.8	+ 2.7
Mining	1926=100	June	175.8	174.8	+ 0.6
Aggregate Payrolls-9 Industries	Thousand \$	June	89,397	81,389	+ 9.9
Average Weekly Earnings -					
9 Industries	Dollars	June	42.31	40.01	+ 5.7
Rubber Consumption	Million lb.	June	13.16	15.09	- 12.8
Cigarettes Released	Millions	July	988	972	+ 1.6
Inspected Slaughterings-Cattle.	Thousands	June	102	94	+ 8.5
Hogs ..	Thousands	June	278	345	- 19.4
Creamery Butter	Million lb.	July	38.51	42.02	- 8.4
Cheese	Million lb.	June	20.56	18.29	+ 12.4
Cotton - Bale Openings	Thousand lb.	July	12,494	13,955	- 10.5
Wood Pulp Production	Thousand tons	June	643.8	640.1	+ 0.6
Newsprint Production	Thousand tons	July	421.5	424.5	- 0.7
Steel Production	Thousand tons	June	270.5	259.4	+ 4.3
Automobile Production	Thousands	June	30.10	23.36	+ 28.9
Gold - Mint Receipts	Thousand fine ounces	June	350	311	+ 12.5
Building Permits - 58 Muni- cipalities	Thousand \$	May	44,387	37,264	+ 19.1
Primary Power-Consumption	Million kwh.	June	3,481	3,331	+ 4.5
Tons Loaded	Thousand tons	July	8,852	9,269	- 4.5
Retail Trade	Million \$	June	679.3	635.1	+ 7.0
Exports	Million \$	June	255.1	233.5	+ 9.3
Imports	Million \$	June	250.5	233.0	+ 7.5
Cost of Living	1935-39=100	July	162.1	156.9	+ 3.3
Wholesale Prices - General	1926=100	June	156.3	152.1	+ 2.8
Raw and Partly Manufactured	1926=100	June	160.2	155.9	+ 2.8
Fully and Chiefly Manufactured	1926=100	June	142.1	138.1	+ 2.9
Consumer Goods	1926=100	June	144.4	141.1	+ 2.3
Producers' Goods	1926=100	June	156.7	151.0	+ 3.8
Building Materials	1926=100	June	201.3	194.7	+ 3.4
Common Stock Prices	1935-39=100	July	104.2	116.3	- 10.4
Bond Yields Index	1935-39=100	July	93.8	95.6	- 1.9
Dividend Payments	Million \$	July	49.80	42.81	+ 16.3
Chartered Bank Cash	Million \$	June	723.2	674.2	+ 7.3
Current Loans	Million \$	June	2,085	1,867	+ 11.7
Dominion - Expenditures	Million \$	June	240	165	+ 45.5
Revenues	Million \$	June	191	233	- 18.0

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CHEQUES CASHED COMPARED WITH OTHER ECONOMIC FACTORS

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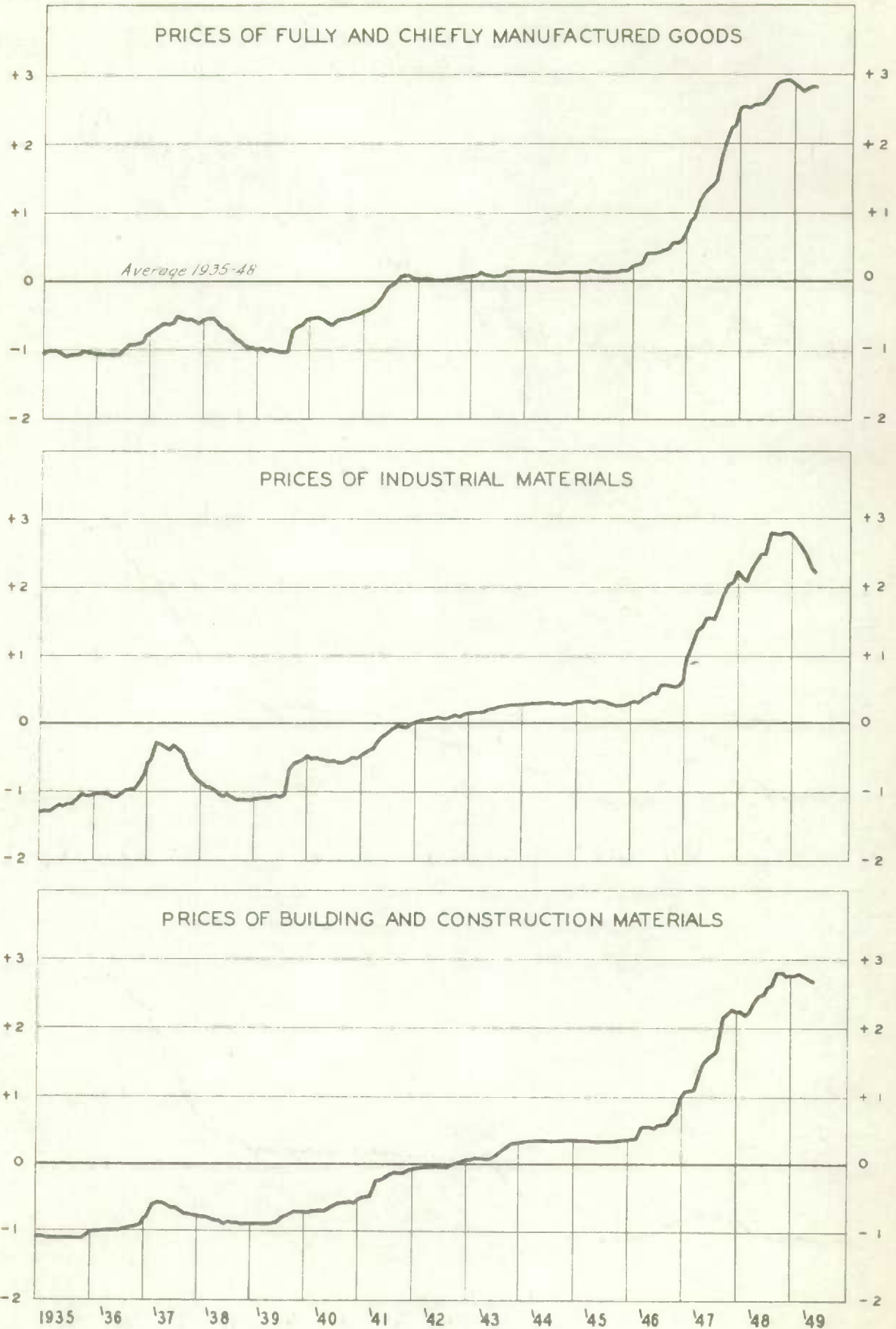
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