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BUSINESS STATISTICS BRANCH

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ANNUAL REPORT
OF
CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS
AND
EQUATION OF EXCHANGE
1944

*In earlier data see Bank debits to individual
accounts + equation of exchange.*



OTTAWA
1945

THE
OFFICE OF THE
TREASURER OF THE
UNITED STATES

DEPARTMENT OF THE TREASURY
WASHINGTON, D. C.

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Dominion Statistician:	S. A. Cudmore, M.A. (Oxon.), F.S.S., F.R.S.C.
Chief, Business Statistics Branch:	Sydney B. Smith, M.A.

CHEQUES CASHED IN 1944.

The dollar volume of cheques cashed in the 33 clearing centres during 1944 amounted to \$60,677 million, an increase of nearly \$6.9 billion or 12.8 p.c. over 1943 and a larger amount than recorded for any other year. The previous maximum was reached in 1943 when the total was \$53,797 million. The seasonally adjusted index of bank debits was well maintained throughout the year, featured by abrupt rises in May and November when Victory Loan purchases added sharply to the amount of cheques cashed. When it is recalled that the debits of 1943 were 18.2 p.c. greater than during 1942, a slackening in the pace of expansion is apparent.

A majority of economic factors also indicated that the expansion of preceding war years was checked in 1944. The index of the physical volume of business recorded an increase of only 0.4 p.c. The general index of employment at 183.0 in 1944 showed a decline of 0.6 p.c., the recession being common to manufacturing, mining and construction. Minor increases were shown in prices of commodities and of high-grade bond prices. The increase in the deposit liabilities of the chartered banks was no less than 17.5 p.c. While the outstanding economic factors averaged somewhat greater than in 1943, the slackening in the advance occasioned by the magnitude of the war effort was unmistakable.

The expansion in cheques cashed was general in the five economic areas during 1944. The gain in the Prairie Provinces at nearly 25 p.c. was exceptional. Advances in British Columbia and Quebec amounted to 13.3 p.c. and 12 p.c., respectively. The gain in Ontario was 9 p.c., the Maritimes following with an increase of 6.7 p.c.

Eleven centres recorded bank debits in excess of one billion dollars. Montreal and the city of Quebec had debits of \$15.4 billion and \$1.6 billion, respectively. The cities of Ontario in this category were Toronto, Ottawa, Hamilton and Windsor. Cheques cashed in Toronto were \$14.4 billion, an increase of 10.3 p.c. having been shown over the preceding year. The total for Ottawa augmented by governmental transactions was \$7.7 billion, a gain of 9.4 p.c. The debits of Hamilton and Windsor were \$1.4 billion and \$1.0 billion, respectively.

Four cities in the Prairie Provinces had debits of one billion dollars or more. The total for Winnipeg was nearly \$7 billion, an increase of about 25 p.c. having been shown over 1943. Cheques cashed in Calgary, Regina and Edmonton were also in excess of one billion dollars. The debits of Vancouver amounted to \$3.1 billion, constituting the only centre in British Columbia in the group under discussion.

Thirty of the 33 clearing centres showed increases in 1944 over the preceding year. Twelve of the 14 centres in Ontario were at higher levels and two of the three centres in British Columbia recorded increases. Each of the centres in the Maritimes, Quebec, and the Prairie Provinces rose to a higher position as far as bank debits are concerned.

Reflecting the marked economic activity based primarily upon the production of munitions and war supplies and the high levels of pay and allowances to the armed

1. CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT THE THIRTY-THREE CLEARING HOUSE
CENTERS OF CANADA, 1943 and 1944

Centres and Areas	Year		Increase (+) Percentage	
	1943	1944	Decrease (-)	of 1944 to 1943
	\$	\$	\$	P.C.
<u>Maritime Provinces</u>				
Halifax	672,762,400	707,345,558	+	34,583,158 105.1
Moncton	207,076,041	231,547,502	+	24,471,461 111.8
Saint John	363,924,420	388,767,904	+	24,843,484 106.8
Total - Maritime Provinces	1,243,762,861	1,327,660,964	+	83,898,103 106.7
<u>Quebec</u>				
Montreal	13,761,657,086	15,441,044,068	+	1,679,386,982 112.2
Quebec	1,476,503,724	1,633,078,085	+	156,574,361 110.6
Sherbrooke	135,720,215	148,165,207	+	12,444,992 109.2
Total - Quebec	15,373,881,025	17,222,287,360	+	1,848,406,335 112.0
<u>Ontario</u>				
Brantford	232,033,285	239,304,256	+	7,270,971 103.1
Chatham	132,107,887	144,553,172	+	12,445,285 109.4
Fort William	131,640,784	168,928,365	+	37,287,581 128.3
Hamilton	1,331,492,619	1,375,804,380	+	44,311,761 103.3
Kingston	155,048,257	166,553,903	+	11,505,646 107.4
Kitchener	277,983,952	288,161,663	+	10,177,711 103.7
London	594,565,226	667,833,039	+	73,267,813 112.3
Ottawa	7,041,856,827	7,702,608,563	+	660,751,736 109.4
Peterborough	148,557,997	149,188,780	+	630,783 100.4
St. Catharines	263,819,718	246,493,553	-	17,326,165 93.4
Sarnia	164,342,335	185,769,583	+	21,427,248 113.0
Sudbury	103,585,400	112,651,722	+	9,066,322 108.8
Toronto	13,091,307,830	14,445,952,616	+	1,354,644,786 110.3
Windsor	1,013,360,025	1,009,140,966	-	4,219,059 99.6
Total - Ontario	24,681,702,142	26,902,944,561	+	2,221,242,419 109.0
<u>Prairie Provinces</u>				
Brandon	78,328,898	90,136,926	+	11,808,028 115.1
Calgary	1,201,421,721	1,498,387,721	+	296,966,000 124.7
Edmonton	988,229,423	1,060,248,757	+	72,019,334 107.3
Lethbridge	95,167,384	116,810,111	+	21,642,727 122.7
Medicine Hat	59,430,281	66,030,272	+	6,599,991 111.1
Moose Jaw	140,275,534	169,470,394	+	29,194,860 120.8
Prince Albert	59,218,070	81,775,325	+	22,557,255 138.1
Regina	776,839,850	1,155,130,243	+	378,290,393 148.7
Saskatoon	208,744,991	264,083,618	+	55,338,627 126.5
Winnipeg	5,592,307,440	6,986,366,445	+	1,394,059,005 124.9
Total - Prairie Provinces	9,199,963,592	11,488,439,812	+	2,288,476,220 124.9
<u>British Columbia</u>				
New Westminster	153,522,022	175,523,212	+	22,001,190 114.3
Vancouver	2,636,094,977	3,059,154,952	+	423,059,975 116.0
Victoria	507,788,108	500,943,546	-	6,844,562 98.7
Total - British Columbia	3,297,405,107	3,735,621,710	+	438,216,603 113.3
GRAND TOTAL FOR CANADA ...	53,796,714,727	60,676,954,407	+	6,880,239,680 112.8

forces, cheques cashed in Canada rose to a new maximum in 1944. The previous high point was reached in the preceding year, the further advance in 1944 having been 12.8 p.c. Using bank clearings for extrapolation from 1919 to 1923, a continuous series is made available from the end of the last war to the present. Three major cycles culminating in 1920, 1929 and 1944 were in evidence in the 25 years. The cheques cashed in 1929 reached \$46,671 million, a position about 23 p.c. below that of last year.

CANADA'S EQUATION OF EXCHANGE, 1924 - 1944.

The money supply posted a further substantial increase in 1944, rising from \$4,837 million in 1943 to \$5,688 million. Since September, 1939 the quantity of money has risen rapidly in immediate and pronounced response to the effects of war. The general rule that war stimulates the growth of the money supply has been demonstrated repeatedly both in this country and elsewhere. The sum of bank notes and coin in the hands of the public and bank deposits subject to cheque rose from \$2,672 million in 1938 to \$5,688 million last year, an increase of no less than 112.9 p.c.

Bank notes in the hands of the public recorded the greatest percentage increase of the three main components. The advance since 1938 was from \$203.7 million to \$857.9 million, amounting to 321.2 p.c. It is estimated that coin in the hands of the public rose from \$29.4 million in 1938 to \$56.9 million in 1944. The indicated increase was 93.7 p.c. while the sum of the notes and coin showed an advance of 292.5 p.c. The sum of the four classes of deposits of the chartered banks and two classes with the Bank of Canada was 95.7 p.c. greater. The average for the twelve months of 1944 was placed at \$4,773 million.

A great expansion in economic activity since the beginning of the war is apparent in almost every field. The increase both in the general level of prices and in the physical volume of goods and services, signifies also a marked addition to the work required of the money supply. It is evident that the increase in the money supply permitted the greater volume of monetary transactions. The data given in Table 10 indicate that the change in the velocity of the money supply between the two years was insignificant. The velocity in 1944 was 15.08 compared with 14.62 in 1938.

It is estimated that cash and cheque payments rose from \$39,052 million in 1938 to \$85,791 million last year. The increase was about 120 p.c. compared with an advance of 112.9 p.c. in the money supply.

Method of Compilation

Bank notes in the hands of the public were obtained by deducting the "notes held by other banks" from the total circulation of bank notes. Previous to March 1935, Dominion notes in the possession of the banks and the central gold reserves were deducted from the total issue of such notes. For the last nine months of 1935, the holdings of the chartered banks of Bank of Canada notes were deducted from the total amount of such notes outstanding. This method was continued in subsequent years.

The amount of subsidiary coin held by the Bank of Canada and the chartered banks in Canada is reported monthly. The outstanding silver, nickel and bronze coins at the end of each month are reported by the Mint. The bank holdings were deducted from the outstanding coin to obtain the amount in the hands of the public.

TABLE 2 INDEX NUMBERS OF CHEQUES CASHED IN CANADA BASED ON THE AVERAGE FOR 1935-1939
EQUALLING 100, CORRECTED FOR SEASONAL VARIATION ACCORDING TO
EXPERIENCE WITH CHEQUES CASHED OVER A TERM OF YEARS

Year and Month	Montreal	Toronto	Winnipeg	Vancouver	CANADA
<u>1944</u>					
January	160.4	116.4	167.8	189.8	171.6
February	162.1	110.1	191.8	190.1	172.4
March	157.3	123.5	209.5	185.1	188.8
April	136.8	103.9	248.1	179.4	175.4
May	207.6	164.8	219.2	253.3	224.5
June	169.5	133.3	188.0	188.3	176.9
July	158.5	127.0	167.6	188.3	170.0
August	157.9	129.6	177.6	180.7	177.1
September	162.5	126.1	177.6	177.7	184.3
October	138.0	103.5	158.4	174.5	164.2
November	200.5	174.5	226.3	255.6	220.4
December	160.1	138.7	170.6	174.1	171.5

TABLE 3. CHEQUES CASHED, BANK DEPOSITS, AND PERCENTAGE OF CHEQUES CASHED TO
DEPOSITS BY MONTHS DURING 1943 and 1944

Year and Month	Cheques Cashed	Four Classes of Bank Deposits	Percentage of Cheques Cashed in 33 Centres to Bank Deposits
	\$	\$	
<u>1943</u>			
January	3,899,628,358	3,494,394,269	111.6
February	3,711,843,123	3,533,331,695	105.1
March	4,011,883,239	3,816,124,344	105.1
April	4,070,712,509	3,983,727,998	102.2
May	5,423,710,780	4,151,611,385	130.6
June	4,349,608,534	4,100,914,877	106.1
July	4,405,946,075	3,959,096,645	111.3
August	4,020,266,715	3,977,688,254	101.1
September	4,485,003,588	4,085,271,375	109.8
October	4,654,206,673	4,107,129,272	113.3
November	5,913,477,221	4,454,170,324	132.8
December	4,850,427,912	4,394,583,855	110.4
Total	53,796,714,727	4,004,836,984	111.9
<u>1944</u>			
January	4,512,473,921	4,272,877,202	105.6
February	4,208,032,496	4,216,302,383	99.8
March	4,773,277,391	4,368,449,631	109.3
April	4,561,260,374	4,506,256,905	101.2
May	6,652,617,362	4,849,596,958	137.2
June	5,219,351,633	4,835,666,416	107.9
July	4,733,461,538	4,715,910,601	100.4
August	4,531,791,470	4,666,864,968	97.1
September	4,818,599,131	4,726,336,359	102.0
October	4,931,879,049	4,956,731,071	99.5
November	6,671,201,083	5,220,588,488	127.8
December	5,063,008,959	5,136,844,897	98.5
Total	60,676,954,407	4,706,035,481	107.4

M Adding the total of notes and subsidiary coin obtained by this method, we have the amount of circulating media in the hands of the public.

M_1 The sum of the Dominion and Provincial government deposits and the notice and demand deposits of the chartered banks and the Dominion government and "other" deposits with the Bank of Canada, is regarded as M_1 i.e. deposit liabilities of the banks subject to cheque. The average of the twelve month-end totals was used as annual data.

M_1V_1 Bank debits as published by the Bureau are available from January, 1924 for thirty-two or thirty-three clearing centres. By a test made for January 1935, it was found that cheques cashed outside of clearing centres amounted to $12\frac{1}{2}$ per cent of the published totals. The debits against the two deposit accounts of the Bank of Canada are estimated on the basis of the turnover of current accounts with the chartered banks. Adding $12\frac{1}{2}$ per cent to statistics from clearing-house centres disregarding the estimate of the cheques cashed by the Bank of Canada, a series roughly equivalent to M_1V_1 is obtained.

V_1 Upon dividing bank debits plus the $12\frac{1}{2}$ per cent, by bank deposits, we ascertain the velocity of deposits, the V_1 of the equation.

V As no statistics are available showing the amount of money paid into the chartered banks during any given period, it is impossible to directly obtain the velocity of circulating media in the hands of the public.

It is inferred from experience in the United States that the turnover of money is about 16.5 per cent greater than the turnover of deposits. The estimated velocity of money in the United States from 1896 to 1909 was nearly 21 per year according to statistics given in Irving Fisher's "Purchasing Power of Money". The average turnover of deposits in Canada from 1919 to 1939 was 17.5. The turnover of money on this basis was regarded as being 16.5 per cent greater than that of deposits. These assumptions admittedly involve a margin of error, but money payments play a small part in comparison with cheque payments and the resulting error in total payments is not regarded as important.

MV Multiplying the circulating media in the hands of the public by the velocity, the total cash payments were obtained. Total payments by cash and cheque, $MV + M_1V_1$, were obtained in millions of dollars by addition, the results being shown in Table 10.

The index of national income estimates, embracing in terms of value the entire economic activities of the Dominion, should correlate with the sum of cheque and cash payments.

The main factors in the equation of exchange are shown by years during the period from 1924 to the present in Tables 7 to 10.

TABLE 4. CHEQUES CASHED BY CLEARING CENTERS AND MONTHS, DURING 1943 and 1944

1. MARITIME PROVINCES

Year and Month	Halifax	Moncton	Saint John	Total for Maritime Provinces
	\$	\$	\$	\$
<u>1943</u>				
January	45,087,271	14,622,199	24,132,864	83,842,334
February	42,375,559	12,709,142	22,624,958	77,709,659
March	61,767,251	15,428,664	24,798,583	101,994,498
April	43,332,478	15,533,358	32,836,313	91,702,149
May	84,400,228	18,698,845	47,494,191	150,593,264
June	50,123,897	17,936,266	30,119,231	98,179,394
July	52,923,526	19,216,929	28,797,806	100,938,261
August	48,841,939	16,252,428	26,628,486	91,722,853
September	53,466,029	17,320,178	24,721,065	95,507,272
October	57,844,026	18,362,383	29,471,657	105,678,066
November	76,035,456	20,867,975	42,013,826	138,917,257
December	56,564,740	20,127,674	30,285,440	106,977,854
Total	672,762,400	207,076,041	363,924,420	1,243,762,861
<u>1944</u>				
January	52,319,571	17,414,295	27,115,986	96,849,852
February	44,240,131	16,045,685	27,216,663	87,502,479
March	53,698,778	18,226,563	30,819,722	102,745,063
April	51,533,541	16,985,415	31,036,674	99,555,630
May	79,913,961	21,736,891	42,636,945	144,287,797
June	53,488,354	19,302,195	32,160,704	104,951,253
July	55,805,648	16,506,546	31,995,713	104,307,907
August	50,889,946	18,033,473	28,909,564	97,832,983
September	51,872,981	19,218,458	27,113,184	98,204,623
October	64,912,238	21,023,196	28,822,477	114,757,911
November	86,523,865	24,936,488	44,718,414	156,178,767
December	62,146,544	22,118,297	36,221,858	120,486,699
Total ..	707,345,558	231,547,502	388,767,904	1,327,660,964

2. PROVINCE OF QUEBEC

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
<u>1943</u>				
January	1,025,345,069	122,182,961	9,591,914	1,157,119,944
February	981,054,050	183,746,429	9,117,504	1,173,917,983
March	1,008,882,016	94,991,587	9,978,198	1,113,851,801
April	1,055,089,947	90,973,227	9,945,955	1,156,009,129
May	1,294,527,062	112,536,134	14,746,160	1,421,809,356
June	1,139,081,834	137,017,034	10,891,968	1,286,990,836
July	1,194,331,675	104,441,513	11,671,601	1,310,444,789
August	1,097,225,450	108,011,085	10,497,266	1,215,733,801
September	1,052,043,717	111,820,922	10,764,180	1,174,628,819
October	1,145,506,878	112,836,201	12,958,295	1,271,301,374
November	1,555,459,074	149,557,707	13,796,759	1,718,813,540
December	1,213,110,314	148,388,924	11,760,415	1,373,259,653
Total	13,761,657,086	1,476,503,724	135,720,215	15,373,881,025

TABLE 4. CHEQUES CASHED BY CLEARING CENTERS AND MONTHS, DURING 1943 and 1944
(Cont'd.)

2. PROVINCE OF QUEBEC (Concluded)

Year and Month	Montreal	Quebec	Sherbrooke	Total for Quebec Province
	\$	\$	\$	\$
<u>1944</u>				
January	1,199,389,770	137,078,048	10,298,483	1,346,766,301
February	1,085,320,414	110,621,894	10,517,928	1,206,460,236
March	1,168,740,197	154,667,883	11,208,572	1,334,616,652
April	1,033,562,678	103,671,501	10,959,756	1,148,193,935
May	1,746,391,824	143,990,022	15,188,465	1,905,570,311
June	1,434,023,848	150,929,309	12,622,960	1,597,576,117
July	1,255,759,996	117,297,665	11,530,953	1,384,588,614
August	1,147,212,907	129,658,983	11,860,263	1,288,732,153
September ...	1,199,759,126	124,403,172	12,203,913	1,336,366,211
October	1,144,029,798	134,146,500	12,753,034	1,290,929,332
November	1,712,508,135	182,487,653	15,794,793	1,910,790,581
December	1,314,345,375	144,125,455	13,226,087	1,471,696,917
Total	15,441,044,068	1,633,078,085	148,165,207	17,222,287,360

3. PROVINCE OF ONTARIO

Year and Month	Brantford	Chatham	Fort William	Hamilton	Kingston
	\$	\$	\$	\$	\$
<u>1943</u>					
January	17,237,114	11,014,966	8,205,611	110,927,528	12,745,014
February	15,812,180	10,564,423	8,072,795	102,043,748	12,098,970
March	18,097,354	11,204,325	9,136,858	92,304,429	11,405,352
April	18,671,509	9,925,987	9,384,869	105,808,576	10,860,337
May	24,340,944	11,965,347	13,557,741	140,398,253	16,445,214
June	18,379,623	10,004,090	9,505,277	97,346,093	12,488,868
July	19,149,196	10,690,120	10,018,479	118,507,561	13,333,878
August	17,416,595	9,095,425	10,666,238	94,858,431	11,397,883
September ...	18,033,037	12,348,741	10,353,370	92,985,887	11,809,556
October	19,653,342	11,142,616	12,667,536	123,444,929	12,864,359
November	25,267,218	11,700,601	14,983,238	133,917,961	15,996,692
December	19,975,173	12,451,246	15,088,772	118,949,223	13,602,134
Total	232,033,285	132,107,887	131,640,784	1,331,492,619	155,048,257
<u>1944</u>					
January	11,666,673	13,442,663	10,977,364	99,097,794	14,437,943
February	16,690,331	12,605,201	9,506,913	92,723,005	10,889,782
March	18,889,858	11,065,549	10,951,585	122,217,528	14,852,992
April	20,785,465	9,387,916	11,486,485	106,883,635	12,684,612
May	26,486,914	12,464,367	17,732,618	142,316,561	17,886,899
June	20,878,372	10,550,396	12,475,749	108,867,746	12,263,484
July	20,379,221	11,267,642	13,174,594	111,270,404	12,883,178
August	18,324,677	10,863,940	22,603,745	100,634,423	12,756,788
September ...	18,872,919	9,965,768	12,841,853	106,698,769	12,927,744
October	21,402,504	12,275,857	14,459,800	118,385,417	13,939,063
November	25,079,111	16,229,400	18,786,970	141,958,603	16,916,441
December	19,848,211	14,434,473	13,930,689	124,750,495	14,114,977
Total	239,304,256	144,553,172	168,928,365	1,375,804,380	166,553,903

TABLE 4. CHEQUES CASHED BY CLEARING CENTERS AND MONTHS, DURING 1943 and 1944 (Cont'd)

3. PROVINCE OF ONTARIO (Cont'd)

Year and Month	Kitchener	London	Ottawa	Peterborough	St.Catharines
	\$	\$	\$	\$	\$
<u>1943</u>					
January	20,640,197	47,794,236	436,998,472	11,362,633	19,197,079
February	17,352,388	37,797,673	484,371,994	10,176,267	17,878,623
March	19,421,520	44,247,772	629,441,410	11,381,848	20,073,344
April	20,081,830	42,857,549	583,174,145	12,202,908	21,210,242
May	37,049,313	67,045,930	706,469,164	14,732,299	29,588,215
June	21,786,314	46,303,719	501,920,858	12,665,960	20,180,544
July	21,563,860	47,740,620	476,608,587	12,320,042	20,513,529
August	18,436,932	41,268,419	537,475,573	11,594,423	20,650,183
September ...	20,327,849	45,969,829	758,598,970	11,765,326	21,368,590
October	22,476,462	48,513,340	731,926,364	14,134,438	20,895,217
November	34,560,816	71,053,715	675,456,592	12,801,996	27,570,617
December	24,286,471	53,972,424	519,414,698	13,419,857	24,693,535
Total	277,983,952	594,565,226	7,041,856,827	148,557,997	263,819,718

<u>1944</u>					
January	23,605,308	52,335,360	485,988,273	12,325,118	18,781,683
February	21,474,028	50,566,373	547,831,600	11,481,925	21,007,000
March	22,990,233	48,569,900	712,064,529	12,298,863	18,718,930
April	20,040,932	46,051,125	680,258,637	11,697,007	18,657,701
May	40,376,314	74,946,165	875,723,845	14,581,378	26,824,783
June	21,066,603	59,791,765	534,073,112	12,350,915	19,615,955
July	20,088,408	57,568,804	517,995,141	10,858,046	17,716,666
August	20,073,548	43,630,864	523,510,527	11,345,606	17,127,257
September ...	21,244,569	51,089,600	724,944,932	11,720,249	18,904,440
October	22,236,944	51,317,346	804,698,319	13,353,108	19,892,605
November	32,008,879	66,822,366	783,984,361	14,333,531	28,088,870
December	22,955,897	65,143,371	511,535,287	12,843,034	21,157,663
Total	288,161,663	667,833,039	7,702,608,563	149,188,780	246,493,553

Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
<u>1943</u>					
January	10,617,711	8,035,726	1,069,218,113	91,072,758	1,875,067,158
February	10,090,143	6,702,555	946,603,812	72,013,747	1,751,579,318
March	12,024,442	7,593,226	994,970,362	77,755,625	1,959,057,867
April	13,113,524	8,331,682	901,312,467	82,945,764	1,839,881,389
May	18,269,670	9,755,859	1,467,270,509	105,614,631	2,662,503,089
June	11,595,595	8,461,765	1,077,087,120	80,693,802	1,928,419,628
July	15,372,076	8,495,086	1,101,244,799	79,484,362	1,955,042,195
August	13,405,614	8,008,352	879,158,032	73,235,045	1,746,667,145
September ...	14,223,591	8,755,792	1,055,726,310	76,753,545	2,159,020,393
October	15,475,665	9,805,933	964,944,215	85,111,855	2,093,056,271
November	16,288,285	10,211,093	1,409,573,952	91,606,179	2,550,988,955
December	13,866,019	9,428,331	1,224,198,139	97,072,712	2,160,418,734
Total	164,342,335	103,585,400	13,091,307,830	1,013,360,025	24,681,702,142

TABLE 4. CHEQUES CASHED BY CLEARING CENTERS AND MONTHS, DURING 1943 and 1944(Cont'd)

3. PROVINCE OF ONTARIO (Concluded)

Year and Month	Sarnia	Sudbury	Toronto	Windsor	Total for Ontario
	\$	\$	\$	\$	\$
<u>1944</u>					
January	13,383,118	8,487,244	1,097,741,433	84,379,697	1,946,649,671
February ...	11,540,114	7,703,281	987,474,333	79,299,815	1,880,793,701
March	13,974,414	8,952,943	1,130,556,754	88,318,116	2,234,422,194
April	13,802,674	8,676,337	923,987,278	82,839,463	1,967,239,267
May	19,163,916	11,307,324	1,674,480,729	102,108,005	3,056,399,818
June	16,839,382	9,270,552	1,333,798,175	74,670,971	2,246,513,177
July	14,762,575	9,086,644	1,114,726,619	79,228,730	2,011,006,672
August	15,681,160	9,164,794	1,052,674,835	78,930,700	1,937,322,864
September ..	13,311,128	9,291,726	1,103,204,447	78,009,717	2,193,027,861
October	15,854,428	10,044,051	994,115,257	79,333,836	2,191,308,535
November ...	20,234,052	10,546,741	1,696,549,306	97,255,679	2,968,794,310
December ...	17,222,622	10,120,085	1,336,643,450	84,766,237	2,269,466,491
Total	185,769,583	112,651,722	14,445,952,616	1,009,140,966	26,902,944,561

4. PRAIRIE PROVINCES

Year and Month	Brandon	Calgary	Edmonton	Lethbridge
	\$	\$	\$	\$
<u>1943</u>				
January	5,232,814	75,855,790	62,723,346	6,497,542
February	4,634,444	67,371,784	62,159,823	5,654,979
March	5,516,373	75,365,029	77,550,633	7,041,155
April	6,399,357	80,979,709	78,575,973	7,441,463
May	7,505,954	109,269,102	91,680,259	8,192,712
June	6,709,353	91,945,441	79,520,698	7,233,355
July	6,766,819	91,253,326	85,201,336	7,906,943
August	6,357,410	89,804,797	82,762,584	7,460,299
September	6,464,226	106,838,510	82,551,693	7,752,834
October	7,695,161	113,730,050	91,584,986	9,842,101
November	7,783,976	177,142,263	97,064,722	10,692,016
December	7,263,011	121,865,920	96,853,370	9,451,985
Total	78,328,898	1,201,421,721	988,229,423	95,167,384
<u>1944</u>				
January	6,183,102	118,913,544	91,353,618	8,684,578
February	5,714,064	106,598,499	84,658,270	7,637,660
March	6,924,354	114,313,615	90,518,466	8,762,160
April	7,275,260	125,667,390	89,530,174	9,816,312
May	9,304,985	159,447,567	85,740,011	10,201,161
June	7,159,461	121,015,291	83,899,743	12,131,409
July	7,815,794	121,007,713	83,625,732	9,036,865
August	6,885,874	118,187,701	89,824,844	8,968,757
September	7,309,268	108,609,367	81,345,528	9,449,251
October	8,509,167	128,711,872	85,299,086	9,971,736
November	9,587,741	158,920,634	104,856,249	12,508,261
December	7,467,856	116,994,528	89,597,036	9,641,961
Total	90,136,926	1,498,387,721	1,060,248,757	116,810,111

TABLE 4. CHEQUES CASHED BY CLEARING CENTERS AND MONTHS, DURING 1943 and 1944 (Cont'd)

4. PRAIRIE PROVINCES (Cont'd.)

Year and Month	Medicine Hat	Moose Jaw	Prince Albert	Regina
	\$	\$	\$	\$
<u>1943</u>				
January	4,258,883	11,910,859	3,944,129	45,105,826
February	3,418,072	8,548,770	3,676,676	40,643,635
March	3,789,246	10,978,036	4,530,280	40,726,175
April	5,186,756	10,661,034	4,685,466	51,538,894
May	5,517,906	12,022,083	5,117,881	76,284,294
June	4,767,474	10,440,798	4,912,235	78,659,083
July	5,023,725	11,532,733	4,735,108	69,534,929
August	4,937,758	12,335,741	4,857,146	61,575,995
September	4,975,021	9,760,163	4,929,331	59,569,284
October	6,194,401	12,068,047	5,264,943	82,313,733
November	5,980,887	15,669,784	6,305,805	94,994,493
December	5,380,152	14,347,486	6,259,070	75,893,509
Total	59,430,281	140,275,534	59,218,070	776,839,850
<u>1944</u>				
January	5,596,104	14,006,545	6,229,947	68,924,227
February	4,710,561	11,333,643	5,666,928	63,549,993
March	4,900,501	11,740,682	6,721,391	68,638,589
April	5,296,345	12,607,939	6,738,597	131,076,000
May	5,879,505	17,112,609	8,194,838	104,081,886
June	5,202,843	11,837,990	6,296,733	102,654,360
July	5,245,759	11,961,212	6,650,077	95,157,653
August	5,116,278	15,167,587	6,548,134	79,936,627
September	6,347,774	15,468,299	6,659,554	100,114,528
October	6,578,318	15,828,052	7,132,381	110,731,817
November	6,030,666	17,497,867	7,884,903	136,302,432
December	5,125,618	14,907,969	7,051,842	93,962,131
Total	66,030,272	169,470,394	81,775,325	1,155,130,243
Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces	
	\$	\$	\$	
<u>1943</u>				
January	14,507,825	315,671,259	545,708,273	
February	12,567,575	277,742,402	486,418,160	
March	14,303,747	348,833,763	588,634,437	
April	15,361,723	484,997,051	745,827,426	
May	19,428,942	497,763,189	832,782,322	
June	17,527,580	477,588,558	779,304,575	
July	18,223,180	464,969,750	765,147,849	
August	18,295,963	420,344,711	708,732,404	
September	16,982,916	469,964,588	769,788,566	
October	19,221,431	546,369,671	894,284,524	
November	20,911,197	718,705,757	1,155,250,900	
December	21,412,912	569,356,741	928,084,156	
Total	208,744,991	5,592,307,440	9,199,963,592	

TABLE 4. CHEQUES CASHED BY CLEARING CENTERS AND MONTHS, DURING 1943 and 1944(Con.)

PRAIRIE PROVINCES (Concluded)

Year and Month	Saskatoon	Winnipeg	Total for Prairie Provinces
	\$	\$	\$
<u>1944</u>			
January	20,648,869	471,274,737	811,815,271
February	18,575,454	439,433,184	747,878,256
March	21,451,157	474,152,192	808,123,107
April.....	21,217,949	648,370,203	1,057,596,169
May	25,466,295	715,307,839	1,140,736,696
June	21,043,605	586,316,514	957,557,949
July	21,577,028	574,067,229	936,145,062
August	21,004,943	559,313,507	910,954,252
September	20,243,518	565,229,031	920,776,118
October	23,532,854	647,170,506	1,043,465,789
November	24,521,548	759,014,141	1,237,124,442
December	24,800,398	546,717,362	916,266,701
Total.....	264,083,618	6,986,366,445	11,488,439,812

5. BRITISH COLUMBIA

Year and Month	New West- minster	Vancouver	Victoria	Total for British Columbia	CANADA
	\$	\$	\$	\$	\$
<u>1943</u>					
January	9,647,273	192,555,724	35,687,652	237,890,649	3,899,628,358
February	9,735,161	179,822,913	32,659,929	222,218,003	3,711,843,123
March	12,518,970	198,478,868	37,346,798	248,344,636	4,011,883,239
April	11,932,640	187,168,219	38,191,557	237,292,416	4,070,712,509
May	14,092,987	288,640,268	53,289,494	356,022,749	5,423,710,780
June	10,856,992	202,450,012	43,407,097	256,714,101	4,349,608,534
July	12,587,008	215,577,641	46,208,332	274,372,981	4,405,946,075
August	12,380,058	197,505,117	47,525,337	257,410,512	4,020,266,715
September ...	13,504,888	231,618,369	40,935,281	286,058,538	4,485,003,588
October	14,010,130	233,787,338	42,088,970	289,886,438	4,654,206,673
November	16,319,082	284,145,944	49,041,543	349,506,569	5,913,477,221
December	15,936,833	224,344,564	41,406,118	281,687,515	4,850,427,912
Total	153,522,022	2,636,094,977	507,788,108	3,297,405,107	53,796,714,727
<u>1944</u>					
January	13,462,554	260,084,129	36,846,143	310,392,826	4,512,473,921
February	12,236,006	238,007,814	35,154,004	285,397,824	4,208,032,496
March	14,081,395	241,892,437	37,396,543	293,370,375	4,773,277,391
April	13,233,903	237,119,567	38,321,903	288,675,373	4,561,260,374
May	17,313,907	330,819,740	57,489,093	405,622,740	6,652,617,362
June	14,546,278	248,063,852	50,143,007	312,753,137	5,219,351,633
July	14,365,767	247,094,273	35,953,243	297,413,283	4,733,461,538
August	14,802,765	242,403,745	39,742,708	296,949,218	4,531,791,470
September ...	14,112,772	216,211,088	39,900,458	270,224,318	4,818,599,131
October	14,718,046	232,708,565	43,990,871	291,417,482	4,931,879,049
November	17,749,370	330,059,635	50,503,978	398,312,983	6,671,201,083
December	14,900,449	234,690,107	35,501,595	285,092,151	5,063,008,959
Total	175,523,212	3,059,154,952	500,943,546	3,735,621,710	60,676,954,407

TABLE 5. CHEQUES CASHED IN CANADA AND IN ECONOMIC AREAS FROM 1927 to 1944

Year	CANADA	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
Percentage of Preceding Years to 1944						
1927	59.5	47.3	73.4	54.4	53.3	55.0
1928	71.7	56.1	86.6	64.4	69.7	66.9
1929	76.9	60.1	95.7	68.9	69.0	78.2
1930	61.8	53.3	76.3	55.9	54.7	62.2
1931	52.1	49.2	61.3	49.7	45.3	48.3
1932	42.6	39.1	45.1	41.9	41.8	40.2
1933	49.4	36.2	49.7	48.4	55.8	39.9
1934	54.2	40.2	54.9	55.5	55.2	43.5
1935	52.0	43.2	52.1	51.6	56.1	44.8
1936	59.2	47.4	63.5	58.6	56.6	55.5
1937	58.0	55.2	67.2	59.2	42.0	56.2
1938	51.0	48.2	57.9	51.3	39.8	51.8
1939	52.1	51.2	57.0	50.6	47.7	54.1
1940	56.8	62.0	57.9	57.2	53.3	57.2
1941	64.7	70.9	64.3	67.7	57.4	65.0
1942	75.0	81.0	74.0	82.3	58.5	76.0
1943	88.7	93.7	89.3	91.7	80.1	88.2

TABLE 6. INDEXES OF FIVE ECONOMIC FACTORS, WITH SEASONAL ADJUSTMENT WHERE NECESSARY
1943 - 1944

Year and Month	Cheques Cashed	Physical Volume of Business	Employment in Manufacturing	Wholesale Prices	Common Stocks
	1935-1939 = 100		1926 = 100		1935-1939 = 100
<u>1943</u>					
January	148.3	225.8	235.1	97.1	76.3
February	152.1	227.3	231.1	97.5	78.7
March	158.7	231.7	228.2	98.6	79.1
April	156.6	236.9	225.9	99.0	82.6
May	183.0	231.8	220.9	99.3	83.7
June	147.5	232.4	219.8	99.6	86.3
July	158.2	236.3	221.8	100.1	91.0
August	157.1	241.0	222.6	100.4	88.9
September	171.6	236.7	223.4	101.1	89.3
October	155.0	239.5	223.9	101.9	86.4
November	195.4	242.9	228.5	102.4	79.6
December	164.3	248.8	233.8	102.5	80.5
Average	162.3	235.9	226.2	100.0	83.5
<u>1944</u>					
January	171.6	247.0	242.4	102.5	81.5
February	172.4	241.6	236.5	102.7	82.0
March	188.8	247.8	231.4	103.0	81.5
April	175.4	239.5	227.1	102.9	79.3
May	224.5	241.8	221.2	102.5	79.9
June	176.9	238.8	218.7	102.5	83.7
July	170.0	232.2	221.2	102.5	87.5
August	177.1	233.1	219.9	102.3	86.8
September	184.3	231.0	219.8	102.3	85.0
October	164.3	228.0	216.6	102.4	86.2
November	220.4	227.9	219.1	102.4	86.0
December	171.5	233.0	222.8	102.5	86.6
Average	183.1	236.8	224.7	102.5	83.8

TABLE 7.. CIRCULATING MEDIA IN HANDS OF PUBLIC
Millions of Dollars

Year	Dominion and Bank of Canada Notes	Circu- lation of Bank Notes	Total Notes in Hands of Public ¹	Subsidiary Coin Out- standing	Subsidiary Coin in Hands of Public	Circulating Media in Hands of Public (M)
1924	226.0	166.1	179.0	30.13	24.33	203.33
1925	212.7	165.2	175.8	30.13	24.33	200.13
1926	190.0	168.9	180.3	30.04	24.24	204.54
1927	184.9	172.1	184.1	30.00	24.20	208.30
1928	201.2	176.7	189.0	30.97	25.17	214.17
1929	204.4	178.3	191.5	32.26	26.46	217.96
1930	174.6	159.3	173.0	32.35	26.55	199.55
1931	153.1	142.0	156.7	32.83	27.03	183.73
1932	165.9	132.2	149.1	33.35	27.55	176.65
1933	179.2	130.4	149.8	33.27	27.47	177.27
1934	190.3	135.5	155.7	33.70	27.90	183.60
1935	127.3 ²	125.6	165.9	33.67	27.87	193.77
1936	105.3	119.5	179.9	34.00	28.20	208.10
1937	141.1	110.3	199.1	34.70	29.47	228.55
1938	161.1	99.9	203.7	34.95	29.38	233.10
1939	184.9	94.1	218.1	37.13	31.44	249.52
1940	277.1	91.1	294.1	41.34	35.44	329.55
1941	407.4	81.6	399.7	46.62	39.33	439.06
1942	572.3	71.7	541.5	51.42	44.40	585.92
1943	773.4	50.2	710.1	58.84	51.67	761.75
1944	943.6	37.1	857.9	66.07	56.90	914.83

¹ Holdings of Chartered Banks and of Central Gold Reserves were deducted from the sum of the first and second columns to give total notes in hands of public.

² Bank of Canada notes first appeared in the last ten months of the year 1935.

Note. The letters in the headings represent symbols used in the formula.

TABLE 8. DEPOSITS IN CANADA, AVERAGES OF MONTHLY DATA
Millions of Dollars

Year	Notice Deposits	Demand Deposits	Dominion Government Deposits	Provincial Government Deposits	Bank of Canada Accounts, Domi- nion Govt. and "Other"	Sum of ¹ Deposits(MI)
1924	1,198.2	511.2	53.9	34.8	-	1,805.3
1925	1,269.5	531.2	34.5	23.8	-	1,798.1
1926	1,340.6	553.3	31.3	21.6	-	1,859.1
1927	1,399.1	596.1	45.4	25.6	-	1,946.8
1928	1,496.6	677.5	42.2	21.8	-	2,066.1
1929	1,479.9	696.4	77.8	24.5	-	2,238.1
1930	1,427.6	622.9	47.7	28.0	-	2,278.6
1931	1,438.0	578.6	49.0	24.4	-	2,126.2
1932	1,376.3	486.3	55.6	26.2	-	2,089.9
1933	1,378.5	488.5	38.8	23.2	-	1,944.3
1934	1,372.8	514.0	35.1	30.8	-	1,929.0
1935	1,445.3	568.6	25.5	39.3	16.2	2,094.9
1936	1,518.2	618.3	37.8	39.3	21.5	2,235.2
1937	1,573.7	691.3	47.2	42.7	25.5	2,380.4
1938	1,630.5	690.5	49.4	44.9	23.3	2,438.7
1939	1,699.2	741.7	92.3	53.5	40.0	2,626.7
1940	1,646.9	875.1	163.4	63.6	51.0	2,800.0
1941	1,616.1	1,088.2	254.3	67.3	63.1	3,089.0
1942	1,644.8	1,341.5	267.2	79.4	67.5	3,100.4
1943	1,864.2	1,619.4	425.6	95.6	70.4	4,075.3
1944	2,272.6	1,863.8	464.5	105.1	67.3	4,773.4

¹ Totals from 1935 include a part of the deposits with the Bank of Canada.

TABLE 9. CHEQUES CASHED AND VELOCITY OF DEPOSITS AND MONEY

Millions of Dollars					
Year	Cheques Cashed in 32 Centres ¹	Bank Debits adding 12½ p.c.	Velocity of Bank Deposits (V ₁)	Velocity of Money or 116.5 p.c. of V ₁ (V)	Cheques Cashed less five large Centres
1924	27,159.5	30,554.4	16.99	19.80	4,836.3
1925	28,126.1	31,641.8	17.02	19.83	5,095.7
1926	30,358.0	34,152.8	17.54	20.44	5,716.6
1927	36,093.5	40,605.2	19.65	22.90	6,253.1
1928	43,477.0	48,911.6	21.85	25.46	7,579.9
1929	46,670.5	52,504.3	23.04	26.85	8,241.9
1930	37,491.3	42,177.7	19.84	23.12	7,135.4
1931	31,586.5	35,534.8	17.00	19.81	5,751.4
1932	25,844.3	29,074.8	14.95	17.42	4,734.1
1933	29,981.5	33,729.1	17.49	20.38	4,471.6
1934	32,866.7	36,975.0	18.94	22.07	4,725.3
1935	31,546.1	35,489.3	16.94	19.74	5,169.6
1936	35,928.6	40,419.7	18.08	21.06	5,797.1
1937	35,166.1	39,561.8	16.62	19.36	6,312.9
1938	30,924.4	34,789.9	14.27	16.62	6,084.2
1939	31,617.4	35,569.6	13.54	15.77	6,390.8
1940	34,437.5	38,742.2	13.84	16.12	7,500.7
1941	39,243.0	44,148.4	14.30	16.66	8,732.4
1942	45,526.3	51,217.1	15.06	17.54	10,191.6
1943	53,796.7	60,521.3	14.85	17.30	11,673.5
1944	60,677.0	68,261.7	14.30	16.66	13,041.8

¹ Thirty-three centres since May, 1941.

TABLE 10. TOTAL PAYMENTS BY CHEQUE AND CASH, MONEY SUPPLY AND REVISED NATIONAL INCOME

Millions of Dollars and Indexes, 1935-39=100

Year	Cash Payments (MV)	Cash and Cheque Payments ¹ M1V1+MV	Money Supply M1+ M	Velocity of Money Supply	National Income		Index of National Income P T
					In Money Form	Real Income 1935-39 Prices	
1924	4,025.9	34,580.3	2,001	17.28	3,865	3,254	78.7
1925	3,968.6	35,610.4	2,059	17.29	4,239	3,538	86.7
1926	4,180.3	38,343.8	2,151	17.83	4,507	3,701	90.7
1927	4,770.1	45,375.3	2,274	19.95	4,738	3,952	96.8
1928	5,452.8	54,364.4	2,452	22.17	5,269	4,373	107.2
1929	5,852.2	58,356.5	2,497	23.37	5,273	4,332	106.2
1930	4,613.6	46,791.3	2,326	20.12	4,452	3,686	90.3
1931	3,639.7	39,174.5	2,274	17.23	3,580	3,281	80.4
1932	3,077.2	32,152.0	2,121	15.16	2,813	2,841	69.6
1933	3,612.8	37,341.9	2,106	17.73	2,723	2,884	70.7
1934	4,052.1	41,027.1	2,136	19.21	3,147	3,292	80.7
1935	3,825.0	39,343.3	2,289	17.19	3,371	3,504	85.9
1936	4,382.6	45,254.9	2,443	18.52	3,827	3,901	95.6
1937	4,424.7	44,466.9	2,609	17.01	4,368	4,316	105.8
1938	3,874.1	39,051.5	2,672	14.62	4,291	4,199	102.9
1939	3,934.9	40,132.7	2,876	13.95	4,554	4,486	109.9
1940	5,312.3	44,814.8	3,130	14.32	5,404	5,118	125.4
1941	7,314.7	52,551.1	3,528	14.90	6,500	5,819	142.6
1942	10,277.0	63,865.6	3,986	16.02	7,500	6,410	157.1
1943	13,178.3	76,066.2	4,837	15.73	8,724	7,368	180.5
1944	15,241.0	85,790.8	5,688	15.08	9,186	7,726	189.3

¹ Includes, since 1935, an estimate of cheques cashed against Dominion and "other" accounts of the Bank of Canada.

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