



Cheque Payments.—Business operations consist of innumerable individual transactions, the great majority of which employ money either in the form of currency or cheques drawn against bank deposits. It is well known that business transactions are predominantly concluded by the use of cheques rather than by payment in currency. The employment of cheques, being the one element normally common to a large proportion of economic transactions, provides an excellent index of the business trend at any given time. The changes in direction that take place in the economy are reflected by the amount of cheques cashed or otherwise paid.

The value of cheques cashed rose to a higher position in 1948 than in any other year. The country-wide total was more than 8 p.c. greater than that of 1947. Increases were achieved consistently year by year from 1938, reflecting the marked expansion in business activity occasioned by the War and its aftermath. The replenishment of shortages in consumer goods, the high level of capital formation on a physical footing and especially the marked advance in prices were the main generating forces for the continuance of the advance in financial transactions during the year.

Gains were practically general in the 33 clearing-house centres. Toronto and Winnipeg, two of the largest cities, bettered their share of the Canadian aggregate. While increases were shown in each of the five economic areas, the Maritimes, Ontario and the Prairie Provinces were prominent in this respect.