

17.—Chartered Bank Earnings, Expenses and Changes in Shareholders' Equity, Fiscal Years Ended in 1951-55—concluded

Item	1951	1952	1953	1954 ¹	1955
Net Current Operating Earnings ²	69.3	77.3	102.8	104.3	101.6
Less provision for losses and additions to inner reserves ³	27.0	27.3	25.3 ⁴	—34.74	23.1
Less provision for income taxes ⁵	19.7	25.5	30.1	58.0	37.2
Leaving for dividends and additions to shareholders' equity.....	22.6	24.5	47.4	81.0	41.3
Dividends to shareholders.....	17.3	18.6	20.4	21.5	26.2
Addition to shareholders' equity.....	5.3	5.9	27.0	59.5	15.1
ADDITIONS TO SHAREHOLDERS' EQUITY					
From net operating earnings and inner reserves to—					
Undivided profits.....	—0.7	—4.6	—6.1	2.5	2.4
Rest account.....	6.0	10.5	33.1	57.0	12.7
From issue of new shares—					
Rest account.....	5.6	0.5	1.9	29.9 ⁶	19.8
Capital paid up.....	2.8	0.4	2.3	16.2 ⁶	13.7
TOTALS, INCREASE IN SHAREHOLDERS' EQUITY.....	13.7	6.7	31.2	105.7	48.6

¹ Includes figures for eleven months only for two banks (accounting on the average for 7.3 p.c. of total bank assets) which changed their financial year-ends from Nov. 30 to Oct. 31. ² Before provision for income taxes and losses and additions to inner reserves. ³ Includes capital profits and losses and non-recurring items. ⁴ After deduction of re-transfers from inner reserves to undivided profits and rest account amounting to \$17,000,000 in 1953 and \$48,000,000 in 1954. ⁵ Includes provision for income taxes on the taxable portion of additions to inner reserves and on that portion of the funds re-transferred from inner reserves not taxed previously. Includes foreign income taxes. ⁶ Includes increase of \$400,000 in rest account and \$1,500,000 in capital paid up which represented the capital of a bank that commenced business in December 1953.

Cheque Payments.—The monthly record of amounts of cheques charged to customers' accounts at all chartered bank offices situated in the clearing-house centres of Canada is available from 1924. The trend indicated by cheques cashed shows the occurrence of three major economic cycles since World War I. The first reached its peak in 1920 with the low point of the succeeding depression in 1922. A high was next achieved in 1929, owing partly to economic conditions involving heavy stock speculation, followed by a low point in 1932. Since then, except for a minor setback in 1938, an upward trend has continued.

The amount of cheques cashed in the clearing-house centres advanced to a maximum of \$148,062,795,949 for 35 centres in 1954; this was 379 p.c. greater than in 1938, the increase paralleling the upward movement of gross national production during the same period. The advance was general in Canada's five economic areas. British Columbia showed the largest gain in this comparison with an increase of 517 p.c. The Atlantic Provinces* recorded the second largest advance of 445 p.c., followed by the Prairie Provinces, Ontario and Quebec. All areas except the Prairie Provinces, where a drop of 4 p.c. reflected decreased grain transactions, showed gains over 1953, Ontario and Quebec accounting for most of the \$10,000,000,000 advance.

Cheques cashed in 16 of the 35 centres showed increases in 1954 as compared with the preceding year. Payments in Canada's two leading centres attained historical maxima, Toronto advancing almost 19 p.c. and Montreal nearly 13 p.c. The sharp drop in grain production during 1954 contributed to the declines recorded by most western centres. Edmonton was the only centre in the Prairie Provinces to show an increase.

* Includes St. John's, Nfld., in 1954, which was excluded in the 1938 data. Excluding St. John's in 1954, ranking would be: Prairie Provinces, Ontario, Maritime Provinces and Quebec.