LIABILITIES IN NEW ZEALAND

(£(N.Z.)000)

Last Monday in Month.	Demand Liabilities.	Time Liabilities.	Total Demand and Time Liabilities.
1943			
March	77,139	28,559	105,698
April	81,329	28,696	110,025
May	83,165	29,060	112,225
June	78,993	29,041	108,033
July	72,710	28,772	101,482
August	75,502	29,196	104,698
September	78,528	29,693	108,221
October	78,184	29,719	107,903
November	79,212	29,561	108,774
December	84,130	29,981	114,111
1944			
January	88,515	29,568	118,083
February	89,369	29,760	119,129
March	85,091	29,723	114,814

The most marked change during the year was shown in deposits at the Reserve Bank, the figure for which rose from £19,682,000 at March, 1943, to £39,053,000 at February, 1944. During March, 1944, when income-tax was payable, deposits declined to £29,890,000 as at the last Monday in the month. This represented an increase of 51·9 per cent. for the year.

Bankers' cash, comprising the trading banks' deposits at the Reserve Bank and their holdings of notes and coin, increased by £11,237,000 during the year, a net increase of 46·0 per cent.

There was a sharp decline in the figures for net overseas assets from £14,852,000 at 29th March, 1943, to £8,651,000 at 30th August, 1943, the lowest figure recorded since January, 1940. From August, 1943, however, net overseas assets rose steadily, reaching the total of £11,584,000 at 27th March, 1944, leaving a net decrease of £3,267,000 for the year.

Government securities remained steady throughout the year, showing only a small decrease of £24,000 from the figure of £36,166,000 as at 29th March, 1943.

The decline in advances and discounts recorded in the two previous financial years did not continue, a net increase of £1,966,000 being shown for the year. The ratio of advances and discounts to total demand and time liabilities fell from 42·5 per cent. at March, 1943, to 40·8 per cent. at March, 1944.

On the liabilities side both demand and time liabilities showed an upward trend, demand liabilities having the widest fluctuations, the lowest figure being £72,710,000 as at 26th July, 1943, and the highest being £89,369,000 as at 28th February, 1944. The fall in June and July was attributable to subscriptions by the public to the War Loan being paid over to the Reserve Bank.

The net increase of 10·3 per cent. (£7,952,000) for demand liabilities for the year ended March, 1944 continues the upward trend of the previous year, when a net increase of 25·4 per cent. (£15,614,000) was recorded.

Total demand and time liabilities, which stood at £114,814,000 at 27th March, 1944, showed a net increase of £9,115,000 over the corresponding March, 1943, figure of £105,698,000.

MONEY SUPPLY IN NEW ZEALAND

The following tables set out in detail the changes that have occurred in the amount of money in actual circulation in New Zealand in the form of coin, notes, and demand deposits of the Reserve Bank and the trading banks since 1939:—

VOLUME OF MONEY IN CIRCULATION IN NEW ZEALAND IN THE FORM OF COIN, NOTES, AND BANK DEMAND DEPOSITS* (LAST MONDAY IN DECEMBER)

Volume of Money

(£(N.Z.) millions)

......	1939.	1940.	1941.	1942.	1943.
Coin (estimated)	1·7	1·8	1·9	2·4	2·6
Notes held by public	15·6	17·4	20·2	27·1	33·4
Demand deposits at—					
(*a*) Reserve Bank†	2·9	8·4	9·2	11·4	17·0
(*b*) Trading banks‡	41·3	49·7	54·0	70·9	84·1
Total	61·5	77·2	85·3	111·8	137·1
Change during year ..	..	+15·7	+8·1	+26·5	+25·3

For notes see page 6.