BALANCE-SHEET

The principal changes in the balance-sheet as at the 31st March, 1949, compared with that of the previous year were as follows :—

Liabilities

Bank Notes

The increase during the year of £799,342 in notes outstanding from £48,557,528 on the 31st March, 1948, to £49,356,870 on the 31st March, 1949, reflects a further slowing down in the rate of increase. This trend is shown by the following table :—

Notes Issued as at 31st March,	£	Increase. £
1939	15,246,971	..
1940	18,284,757	3,037,786
1941	21,440,823	3,156,066
1942	24,145,054	2,704,231
1943	30,390,754	6,245,700
1944	36,254,495	5,863,741
1945	40,201,306	3,946,811
1946	43,489,031	3,287,725
1947	46,878,128	3,389,097
1948	48,557,528	1,679,400
1949	49,356,870	799,342

The effective note circulation—that is, notes in the hands of the public—was £42·199 millions on the last Wednesday in March, 1949, an increase of £1·443 millions for the year. The following figures show the increase by denominations that has taken place in recent years. A point of interest is the proportionately greater increase that has occurred in £5 and £10 notes.

(£000)

—	Last Balance Day in March,						
	1943.	1944.	1945.	1946.	1947.	1948.	1949.
10/-	906	952	990	1,087	1,143	1,171	1,216
£1	7,332	8,021	8,356	9,143	9,422	9,434	9,521
£5	13,306	16,422	18,599	21,085	22,486	23,117	24,027
£10	2,095	2,791	3,366	3,256	4,218	4,687	4,990
£50	2,154	2,634	2,504	1,706	2,091	1,987	2,086
Trading banks' notes outstanding	382	376	371	366	363	361	359
Total active circulation ..	26,175	31,196	34,186	36,643	39,633	40,757	42,199

Demand Liabilities

(*a*) *State.*—Total deposits held by the Bank under this heading showed a decrease of £2·58 millions, from £23·15 millions on the 31st March, 1948, to £20·57 millions on the 31st March, 1949.

From May, 1948, to February, 1949, the monthly average of these deposits was £10·057 millions. The customary increase in this item during March (and, to a lesser extent, during April) reflects principally the receipt by the Government of income-tax.

(*b*) *Banks.*—The total deposits held by the trading banks at the Reserve Bank increased by £12·42 millions, from £47·10 millions on the 31st March, 1948, to £59·52 millions on the 31st March, 1949.