

BALANCE-SHEET

The principal changes in the balance-sheet as at 31st March, 1950, compared with that of the previous year were as follows:—

LIABILITIES

Bank-notes

The value of notes outstanding on 31st March, 1950, was £53,031,091, compared with £49,356,870 on 31st March, 1949, an increase of £3,674,221. There was a smaller increase in the effective note circulation—that is, the value of notes held by the public. This figure was £44,301,863 on the last Wednesday in March—£2,102,643 higher than the corresponding figure of £42,199,220 in 1949. Changes in the net note circulation are shown in the following table:—

Last Balance Day in March,	Net Note Circulation. (£000)	Increase. (£000)
1940	14,835	3,660
1941	17,162	2,777
1942	20,177	3,015
1943	26,175	5,998
1944	31,196	5,021
1945	34,186	2,990
1946	36,643	2,458
1947	39,633	2,989
1948	40,757	1,124
1949	42,199	1,443
1950	44,302	2,103

The increase during the year may be attributed in part to higher wages, salaries, and other incomes, normal increase in population, availability for spending of wartime savings repaid on the maturity of short-term Victory and Liberty Loans, and to the expansion of bank credit.

The following table, showing by denominations the notes held by the public, once again reveals more than proportionate increases in the notes of high denominations.

(£000)

	Last Balance Day in March,						
	1944.	1945.	1946.	1947.	1948.	1949.	1950.
10s.	952	990	1,087	1,143	1,171	1,216	1,241
£1	8,021	8,356	9,143	9,422	9,434	9,521	9,376
£5	16,422	18,599	21,085	22,486	23,117	24,027	25,408
£10	2,791	3,366	3,256	4,218	4,687	4,990	5,606
£50	2,634	2,504	1,706	2,001	1,987	2,086	2,313
Trading banks' notes outstanding	376	371	366	363	361	359	357
Total active circulation ..	31,196	34,186	36,643	39,633	40,757	42,199	44,302

Demand Liabilities

(a) *State*.—The amount on deposit under this heading on 31st March, 1950, was £33,296,116, compared with £20,572,329 on 31st March, 1949. The increase was mainly accounted for by larger balances in the Public Account, the Post Office Account, and the Meat Industry Account. From May, 1949, to February, 1950, the average of these deposits was £9.08 millions. The customary increase in demand liabilities to the State during March reflects principally the receipt by the Government of income-tax.