

ACQUISITION OF NEW ZEALAND-PRODUCED GOLD

During the year the Reserve Bank continued to purchase New Zealand-produced gold in accordance with Regulation 5 of the Finance Emergency Regulations 1940 (No. 2).

Offerings of raw and refined gold to the Reserve Bank during the period amounted to 88,295 oz. (gross weight), bringing the total bought by the Bank since the inception of the scheme in August, 1948, to 142,886 oz.

Sales by the Bank to licensed gold-dealers in New Zealand for refining and resale to local manufacturers and dentists aggregated 10,579 oz. (gross weight), raising the total sold since August, 1948, to 14,604 oz.

As a result of the increase in the London price of gold following devaluation of sterling in terms of the United States dollar in September, 1949, the price paid by the Reserve Bank to New Zealand gold-producers for clean, melted gold was increased from £8 8s. 6d. to £12 4s. 6d. per ounce of fine content. This price is based on the official buying-price in London and provides the Bank with an expense margin to cover various costs incurred in handling and shipping the gold overseas for refining. The maximum price at which the licensed gold-dealers may sell refined gold and gold alloys to local manufacturers and dentists was raised from £9 to £12 17s. per fine ounce.

TRADING BANKS

The following combined figures are compiled from the monthly returns furnished by the trading banks to the Reserve Bank in accordance with statutory requirements:—

ASSETS

(£000)

Last Wednesday in Month.	Deposits at Reserve Bank.	Reserve Bank Notes.	Total Cash in New Zealand.*	Net Overseas Assets.	Securities.		Advances and Discounts.
					Government.	Other.	
1949							
March	59,350	7,170	68,155	16,749	14,432	1,850	89,606
April	64,884	8,814	75,222	16,730	14,432	1,839	85,134
May	72,853	8,712	83,130	16,598	14,432	1,825	81,506
June	86,161	8,046	95,764	13,623	11,731	1,823	80,070
July	81,978	8,339	91,716	15,281	11,731	1,803	78,698
August	79,844	8,413	89,652	13,435	11,731	1,788	81,709
September ..	80,430	8,198	90,009	11,166	11,731	1,785	81,787
October	79,515	8,990	89,881	12,691	11,731	1,782	81,158
November ..	76,454	9,654	87,762	13,141	11,731	1,772	84,020
December ..	78,251	9,701	89,480	15,320	11,731	1,769	80,027
1950							
January	88,900	10,801	101,392	16,498	11,731	1,727	78,588
February	88,804	9,287	99,713	18,125	11,731	1,713	84,359
March	69,208	8,894	79,696	20,100	11,731	1,712	96,071

* Includes deposits at Reserve Bank, notes, and coin.