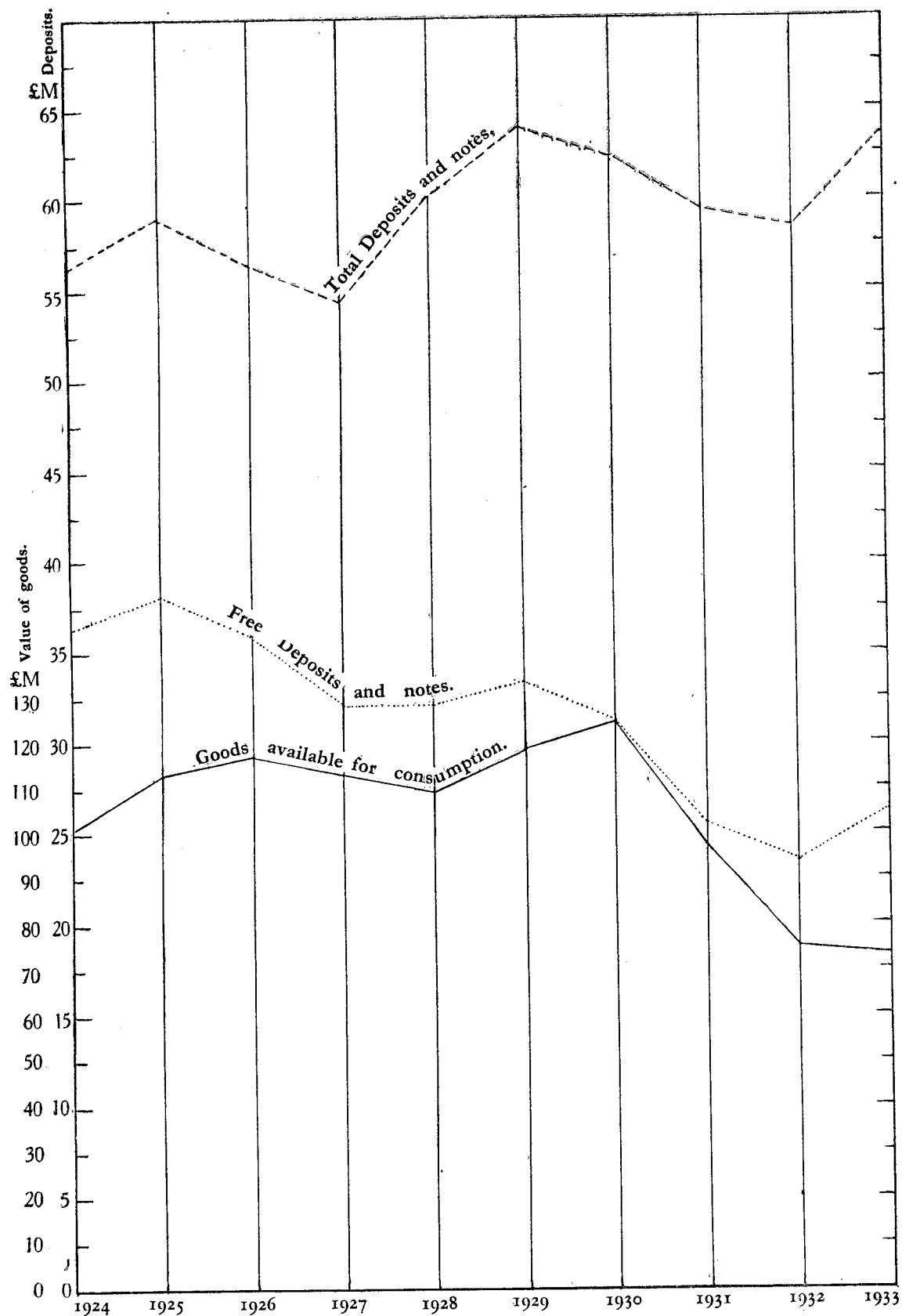


value of the goods to be dealt with in internal trade. In other words, depositors have left on current account only sufficient resources to cope with current requirements and the balance has been placed on fixed deposit, the increasing volume of which is represented by the difference between the two lines on the graph concerning deposits. Fixed deposits are for relatively short terms,



PURCHASING POWER AND GOODS AVAILABLE FOR CONSUMPTION.

which are maturing daily, so that depositors can at any time rapidly increase the volume of free deposits. This being so, the analysis of the position made does not lend any support to the suggestions that our troubles are due to a lack of purchasing-power in New Zealand. The aggregate of possible purchasing-power represented by all deposits and notes is as great now as at any time since 1924.