

OORSIG VAN GELD- EN BANKWESE.

Augustus tot November 1948.

Aangesien die aandag tans gevestig is op die Unie-regering se onlangse besluit om die invoer van wat beskou word as ontbeerlike goedere te verbied en die land se nie-sterling-valuta in verband met die invoer van ander goedere te rantsoeneer, is dit allig van belang om, alvorens die oorsig voort te sit wat in ons September-uitgawe verskyn het, kortliks die beskikbare statistiek aangaande die Unie se na-oorlogse betalingsbalans te behandel ten einde duideliker na vore te bring waarom die land se goud- en valuta-posisie dermate versleg het dat sulke maatreëls noodsaaklik geword het.

saamgevat word:—

(a) *Nie-sterling-gebied*. Dit blyk dat, wanneer goud uitgesluit word, die Unie se balans in lopende rekening met die nie-sterling-gebied oor die nege maande geëindig September 1948 'n tekort van ongeveer £134 miljoen vertoon het, d.w.s. 'n gemiddelde maandelikse tekort van omtrent £15 miljoen vergeleke met ongeveer £13 miljoen (uitgenome die huurleenbetalings) in 1947 en omtrent £8 miljoen in 1946. Hierdie syfers weerspieël ook die Unie se totale tekorte teenoor die nie-sterling-gebied gedurende genoemde tydperke, want die voorlopige

VOORLOPIGE SKATTINGS VAN DIE UNIE SE NA-OORLOGSE BETALINGSBALANS
(£ S.A. miljoene)

	JAAR/YEAR 1946				JAAR/	
	Nie-Sterling-gebied Non-Sterling Area	Sterling-gebied Sterling Area	Onverdeeld ¹ Unallocated ¹	TOTAAL TOTAL	Nie-Sterling-gebied Non-Sterling Area	Sterling-gebied Sterling Area
TRANSAKSIES:—						
Handelsbalans (v.a.b.)	— 73	— 54	+102	— 25	—140	— 55
Skeepsrag en versekering op invoere	— 15	— 12	.....	— 27	— 19	— 11
Ander onsigbare poste (netto)	— 9	— 3	.....	— 12	+ 1	— 4
Huurleenbetalings .....	.....	.....	.....	.....	— 25	.....
Balans in lopende rekening	— 97	— 69	+102	— 64	—183	— 70
Goudbydrae tot IBHO en IMF	— 1	.....	.....	— 1	— 6	.....
Netto partikuliere kapitaalbewegings) Weglatinge en foute	+ 1	+ 18	.....	+ 19	+ 5	+152
Totale balans	— 97	— 51	+102	— 46	—184	+ 82
FINANSIERING VAN TRANSAKSIES:—						
Korttermynsaldo's:						
Aan buiteland verskuldig .....	.....	.....	.....	.....	.....	+ 2
Buitelandse valutabesit	— 8	+ 60	.....	+ 52	+ 1	— 42
Goudtransaksies	+ 25	+ 71	—102	— 6	+ 71	+ 70
Aankope van nie-sterling deur Londen (netto)	+ 80	— 80	.....	.....	+112	—112
Totaal	+ 97	+ 51	—102	+ 46	+184	— 82

¹. Goudproduksie minus netto goudverbruik binne die Unie.

². Vir die huidige doel en met die oog op sy besondere aard, is die goudlening van £80 miljoen aan die Bank van Engeland nie in hierdie voorlopige berekenings ingesluit nie.

BETALINGSBALANS.

Weens die gebrek aan gegewens kan suiwer berekenings van die Unie se betalingsbalans in die verlede nie gegee word nie, en derhalwe kan ons slegs gebruik maak van skattings wat hoofsaaklik steun op die beskikbare gegewens omtrent die land se aan- en verkope van buitelandse valuta. Voorlopige skattings wat die Reserwebank op hierdie grondslag gemaak het, word in die tabel hierbo weergegee, en vir die huidige doel kan hulle as volg

skattings dui aan dat die netto-toestroming van partikuliere kapitaal vanuit hierdie bron net ongeveer gelyk was aan die bedrae wat die Unie uitbetaal het in die vorm van ledegeld aan die Internasionale Bank vir Herstel en Ontwikkeling en aan die Internasionale Monetêre Fonds.

Die vermelde tekorte is gefinansier op die manier soos in die tabel aangedui. Ten einde, by voorbeeld, sy tekort van ongeveer £134 miljoen teenoor die nie-sterling-gebied tydens die nege maande

MONETARY AND BANKING REVIEW.

August to November, 1948.

With attention focused on the Union Government's recent decision to prohibit the importation of what are regarded as inessential commodities and to ration the country's non-sterling exchange in respect of the importation of other goods, it may be of interest, before continuing the review published in our September issue, to consider briefly the statistics available on the Union's post-war balance of payments, in order to see more clearly why the country's gold and exchange position had deteriorated to the extent that such measures became a matter of necessity.

table below, and for the present purpose these may be briefly summarised as follows:—

(a) *Non-Sterling Area*. It appears that, excluding gold, the Union had a current account deficit with the non-sterling area of about £134 million during the nine months ended September, 1948, i.e. an average monthly current deficit of about £15 million compared with about £13 million (excluding lend-lease payments) in 1947, and about £8 million in 1946. These figures also reflect the Union's total deficits with the non-sterling area during these periods, since the preliminary estimates indicate

PRELIMINARY ESTIMATES OF THE UNION'S POST-WAR BALANCE OF PAYMENTS (£ S.A. millions)

YEAR 1947		Nege maande geëindig September 1948 Nine Months ended September, 1948				
Onver- deeld ¹	TOTAAL	Nie- Sterling- gebied	Sterling- gebied ²	Onver- deeld ¹	TOTAAL ²	
Unallo- cated ¹	TOTAL	Non- Sterling Area	Sterling Area ²	Unallo- cated ¹	TOTAL ²	
+ 97	— 98	—114	— 50	+ 74	— 90	TRANSACTIONS:—
— 30	— 30	— 15	— 11	— 26	— 26	Trade Balance (f.o.b.)
— 3	— 3	— 5	+ 1	— 4	— 4	Freight and Insurance on Imports
— 25	— 25					Other Invisibles (Net)
						Lend-Lease Payments
+ 97	—156	—134	— 60	+ 74	—120	Balance on Current Account
— 6	— 6					Gold Subscriptions to IBRD and IMF
+157	+157		+ 75		+ 75	{ Net Private Capital Movements
						{ Omissions and Errors
+ 97	— 5	—134	+ 15	+ 74	— 45	Total Balance
						FINANCING OF
						TRANSACTIONS:—
	+ 2					Short-term Balances:
— 41	— 41	+ 10	— 6		+ 4	Due Abroad
+ 97	+ 44	+ 91	+ 24	— 74	+ 41	Foreign Exchange Holdings
		+ 33	— 33			Gold Transactions
						Non-Sterling purchased through Lon- don (Net)
— 97	+ 5	+134	— 15	— 74	+ 45	Total

¹. Gold Production less Net Gold Consumption in the Union.

². For the present purpose, and in view of its special nature, the gold loan of £80 million to the Bank of England has been excluded from these preliminary calculations.

BALANCE OF PAYMENTS.

On account of the lack of figures, accurate balance-of-payments calculations cannot be made for the Union in respect of the past, and we can, therefore, only fall back on such estimates as can be made largely on the basis of the available data on the country's purchases and sales of foreign exchange. Preliminary estimates made by the Reserve Bank on this basis are presented in the

that the net inflow of private capital from this source was approximately only equal to the amounts paid out by the Union as subscriptions to the International Bank for Reconstruction and Development and the International Monetary Fund.

The deficits mentioned above were financed as indicated in the table. For example, to cover its deficit of about £134 million with the non-sterling area during the nine months ended September,

geëindig September 1948 aan te suiwer, het die Unie £10 miljoen van sy nie-sterling-saldo's aangewend, £91 miljoen goud aan die Verenigde State van Amerika verkoop en ongeveer £33 miljoen nie-sterling-valuta (netto) deur bemiddeling van die Bank van Engeland gekoop. Teen einde September was, ingevolge die Wet op die Goudlening van 1948, van laasgenoemde bedrag £24 miljoen in goud vereffen.

(b) *Sterlinggebied.** Wat die sterlinggebied betref, het die Unie se balans in lopende rekening oor die nege maande geëindig September 1948 'n tekort van ongeveer £60 miljoen vertoon, d.w.s. 'n gemiddelde maandelikse tekort van omtrent £7 miljoen vergeleke met ongeveer £6 miljoen gedurende elk van die jare 1946 en 1947.

Andersyds dui die voorlopige skattings aan dat die Unie se kapitaalbalans (insluitende bedrae wat deur weglatings en foute ontstaan het) met die sterlinggebied oor die nege maande geëindig September 1948 'n aktiewe saldo van ongeveer £75 miljoen vertoon het, d.w.s. 'n gemiddelde maandelikse netto-toestroming van kapitaal (insluitende fondse van immigrante en oorboekinge deur Suid-Afrikaanse ondernemings) van omtrent £8 miljoen vergeleke met ongeveer £12.5 miljoen in 1947 en omtrent £1.5 miljoen in 1946. Per saldo het die Unie dus oor die nege maande geëindig September 1948 'n aktiewe betalingsbalans met die sterlinggebied gehad ten bedrae van ongeveer £15 miljoen en gedurende 1947 van omtrent £82 miljoen, terwyl vir 1946 'n passiewe saldo van omtrent £50 miljoen vasgestel is.

(c) *Alle lande.** As die land se goudproduksie, wat nie volgens gebied te verdeel is nie, in aanmerking geneem word, dan dui die skattings aan dat die Unie 'n passiewe betalingsbalans teenoor die buitewêreld vertoon het gelyk aan ongeveer £46 miljoen in 1946, £5 miljoen in 1947 en £45 miljoen gedurende die nege maande geëindig September 1948. Hierdie syfers vind natuurlik 'n weerspieëling in die vermindering wat die land se gesamentlike goud- en valutabesit gedurende die onderskeie tydperke ondergaan het.

GOUD EN VALUTA.

Ten gevolge van die Unie se passiewe balans met die nie-sterling-gebied teen 'n koers van gemiddeld sowat £15 miljoen per maand in 1948, d.w.s.

omtrent £7 miljoen per maand meer as die land se goudproduksie, het die Reserwebank se goudbesit, wat, soos in ons vorige oorsig aangetoon, tot £75.6 miljoen teen einde Augustus 1948 gedaal het, 'n verdere daling ondergaan en per einde Oktober tot £57.5 miljoen en teen einde November 1948 tot £47.6 miljoen verminder.

Daarnaas het die Bank se sterlingbesit van £55.3 miljoen per einde Augustus tot £44.3 miljoen per einde November gedaal, waaruit skyn te blyk dat die Unie gedurende dié tydperk 'n klein netto toestroming van kapitaal ondervind het waardeur sy tekort in lopende rekening met die sterlinggebied gedeeltelik verminder is.

Ingevolge 'n wysiging van die Wet op die Suid-Afrikaanse Reserwebank van 1944, wat op 12 Oktober 1948 in werking gekom het, is die minimumdekking van die Reserwebank van 30% na 25% verlaag; en die Bank het verlof gekry om, by die berekening van sy dekkingspersentasie, van sy verpligtinge teenoor die publiek 'n bedrag gelyk aan sy buitelandse bates af te trek. Dientengevolge het die Bank se dekking van 30.9% per einde September tot 38.0% per einde Oktober gestyg. Daarna het dit weer tot 32.3% per einde November gedaal.

GELD IN OMLOOP.

Met die oog op die Unie se aanhoudende passiewe betalingsbalans is verwag dat die hoeveelheid geld in omloop ná Julie 1948 'n verdere daling sou vertoon. Dit het wel in Augustus gebeur, maar daarna het die bedrag in werklikheid toegeneem, sodat dit einde Oktober £433.0 miljoen bedra het vergeleke met £428.4 miljoen per einde Julie. Dié vermeerdering van £4.6 miljoen was in hoofsaak die gevolg van die feit dat die daling van £32.6 miljoen in die Reserwebank se gesamentlike goud- en valutabesit gedurende hierdie tydperk meer dan uitgewis is deur 'n verdere uitbreiding van bankkrediet in die Unie tot 'n bedrag van £33.4 miljoen (£23.3 miljoen deur die handelsbanke en £10.1 miljoen deur die Reserwebank) en 'n verskuiwing van £4.9 miljoen van termyn- na onmiddellik opeisbare deposito's by die handelsbanke.

T. W. DE JONGH,

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* Sien voetnoot 2 onderaan die tabel.

1948, the Union utilised £10 million of its non-sterling balances, sold £91 million of gold to the United States of America, and purchased about £33 million of non-sterling exchange (net) through the Bank of England. Of the last-mentioned amount, £24 million had been paid for in gold by the end of September, under the Gold Loan Act of 1948.

(b) *Sterling Area*.* In the case of the sterling area, the Union had a current account deficit of about £60 million for the nine months ended September, 1948, which means an average monthly current deficit of about £7 million compared with about £6 million during each of the years 1946 and 1947.

On the other hand, the preliminary estimates indicate that the Union had a favourable balance on capital account (including omissions and errors) with the sterling area of about £75 million for the nine months ended September, 1948, i.e. an average monthly net inflow of capital (including immigrants' funds and transfers by South African concerns) of about £8 million compared with about £12.5 million in 1947, and about £1.5 million in 1946. Thus, on total account, the Union enjoyed favourable balances of payments with the sterling area of about £15 million during the nine months ended September, 1948, and about £82 million during the year 1947, while in 1946 an adverse balance of about £50 million was registered.

(c) *All Countries*.* Taking into account the country's gold output, which cannot be allocated by area, the estimates show that the Union had unfavourable balances of payments with the outside world amounting to about £46 million in 1946, £5 million in 1947, and £45 million during the nine months ended September, 1948. These figures are, of course, reflected in the declines registered in the country's combined gold and exchange holdings during each of these periods.

GOLD AND EXCHANGE.

With the Union running an average monthly payments deficit with the non-sterling area at the rate of about £15 million in 1948, i.e. about £7 million per month more than the country's gold output, the Reserve Bank's gold holding, which,

as pointed out in our previous review, had dropped to £75.6 million by the end of August, 1948, continued its downward movement, falling to £57.5 million at the end of October, and £47.6 million by the end of November, 1948.

In addition, the Bank's sterling holdings declined from £55.3 million at the end of August to £44.3 million at the end of November, from which it would appear that the Union had a small net inflow of capital during this period, partly offsetting its deficit on current account with the sterling area.

Under an amendment to the South African Reserve Bank Act of 1944, which came into effect on the 12th October, 1948, the minimum reserve ratio of the Reserve Bank was reduced from 30% to 25%; and, for the purpose of calculating its reserve ratio, the Bank was permitted to deduct from its liabilities to the public an amount equal to its foreign assets. As a result the Bank's reserve ratio increased from 30.9% at the end of September to 38.0% at the end of October. Thereafter it declined again to 32.3% at the end of November.

MONEY IN CIRCULATION.

On account of the Union's continued unfavourable balance of payments, it was expected that the quantity of money in circulation would show further declines after the month of July, 1948. While this happened during August, the amount actually increased thereafter to stand at £433.0 million by the end of October compared with £428.4 million at the end of July. This increase of £4.6 million came about principally as a result of the fact that the decline of £32.6 million in the Reserve Bank's combined gold and exchange holdings during this period was more than offset by the further expansion of £33.4 million in bank credit in the Union (£23.3 million by the commercial banks and £10.1 million by the Reserve Bank) and a shift of £4.9 million from time to demand deposits with the commercial banks.

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* See footnote 2 to the table.