

MONETARY AND BANKING REVIEW.

January to August, 1948.

On account of a large net inflow of overseas capital into the Union, the South African Reserve Bank's combined gold and exchange holdings showed little change during the year 1947, in spite of the heavy imports of merchandise, the settling of the Union's lend-lease commitments, and the payment of the Union's subscription to the International Monetary Fund in that year. During the eight months ended August, 1948, however, a strong decline was registered.

From £187·1 million at the end of December, 1947, the Reserve Bank's gold holdings (taken at the statutory price of 172s. per fine ounce) declined to £75·6 million by the end of August, 1948. This decrease of £111·5 million in the gold reserve, along with the drop of about £9 million in the Bank's dollar balances, was the result, firstly, of the gold loan of £80 million to the Bank of England, and, secondly, of the Union's continued high level of non-sterling expenditure which amounted, on the average, to about £5 million per month more than the country's gold output.

On the other hand, the Reserve Bank's sterling balances increased from £50·4 million at the end of 1947, to £82·3 million at the end of May, 1948, due to a further considerable influx of British capital. Thereafter the amount dropped to £71·9 million at the end of June, and £55·3 million at the end of August. It appears, therefore, that there was little, if any, net inflow of British capital during the months June to August, and that the current deficit with the sterling area was allowed to have more or less its full effect on the Bank's sterling balances. The decline in the Bank's exchange holdings, and thus in its liabilities to the public, served to strengthen its reserve ratio, which increased from 35·7 per cent. at the end of May, to 36·9 per cent. at the end of June, and dropped only slightly to 34·8 per cent. at the end of August, in spite of the decrease of £19·8 million in its gold reserve during these three months.

The note liabilities of the Reserve Bank declined slightly from £65·8 million at the end of 1947, to £65·4 million at the end of July, 1948, but since the commercial banks' holdings of Reserve Bank notes decreased by £2·7 million during this period, there was actually an increase of £2·3 million in notes in the hands of the public. In addition, there was an increase of £4·6 million in the banks' demand deposits (made up of an increase of £6·7 million in respect of current-account deposits with the commercial banks and a decrease of £2·1 million in respect of Government and „Other” deposits with the Reserve Bank), and an increase of £0·3 million in coin in circulation. Thus the net increase in the total quantity of money in circulation in the Union during this period amounted to £7·2 million, namely, from £421·2 million at the end of 1947, to £428·4 million at the end of July, 1948.

It is to be noted, however, that the quantity of money actually increased to £455·7 million at the end of March, 1948, whereafter it declined slightly to £452·7 million at the end of May, and then showed a sharp decline to £428·4 million at the end of July. The increase of £34·5 million between December, 1947, and March, 1948, reflected the continued net inflow of British capital as well as the expansion of commercial bank credit in the Union to the amount of £4·5 million and the shift of £2·9 million from time to demand deposits with the commercial banks during that period; while the drop of £27·3 million between March and July, which took place in spite of the further extension of £19·9 million in commercial bank credit, must be associated with the large net current deficit in the Union's balance of payments and the decline in the inflow of capital. Although the commercial banks' figures as at the end of August, are not yet available, it is likely that the continued operation of the last-mentioned factors caused a further decline in the quantity of money for that month.

Principally for the reasons set out above, the commercial banks' total deposits in the Union increased from £392·1 million at the end of 1947, to £414·5 million at the end of March, 1948, but dropped to £395·0 million by the end of July. On the other hand, their cash reserves increased from £178·6 million at the end of 1947, to £192·5 million at the end of March, 1948, and then declined to £151·5 million at the end of July; while their combined discounts, advances and investments showed an unbroken series of monthly increases from £220·0 million at the end of 1947, to £244·4 million at the end of July, 1948. Under these conditions their cash reserve ratio dropped from 45·4 per cent. at the end of 1947, to 38·2 per cent. at the end of July, 1948, while their ratio of discounts and advances to liabilities to the public increased from 29·7 per cent. to 34·9 per cent., respectively.

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OORSIG VAN GELD- EN BANKWESE.

Januarie tot Augustus 1948.

Ondanks die groot invoer van goedere, die vereffening van die Unie se huurleen-verpligtinge en die aansuiwering van die Unie se ledegeld aan die Internasionale Monetêre Fonds, het die Suid-Afrikaanse Reserwebank se gesamentlike besit aan goud en valuta in 1947, tengevolge van die omvangryke netto toestroming van buitelandse kapitaal na die Unie, geringe verandering vertoon. Daarenteen is gedurende die agt maande geëindig Augustus 1948 'n sterk vermindering vasgestel.

Die Reserwebank se goudbesit (gereken teen die statutêre prys van 172s. per fyn ons) het van £187.1 miljoen per einde Desember 1947 tot £75.6 miljoen teen einde Augustus 1948 gedaal. Dié vermindering van £111.5 miljoen in die goudvoorraad, tesame met die daling van ongeveer £9 miljoen in die Bank se dollarsaldo's, was die gevolg van, eerstens, die goudlening groot £80 miljoen aan die Bank van Engeland en, tweedens, die feit dat die Unie se uitgawes in ander valuta as sterling, wat die land se goudproduksie maandeliks met gemiddeld ongeveer £5 miljoen oortref het, op hoë peil bly beweeg het.

As gevolg van 'n verdere aansienlike toestroming van Britse kapitaal, het andersyds die Reserwebank se sterlingsaldo's van £50.4 miljoen per einde 1947 tot £82.3 miljoen per einde Mei 1948 toegeneem. Daarna het die bedrag einde Junie tot £71.9 miljoen en einde Augustus tot £55.3 miljoen gedaal. Dit blyk dus dat gedurende die maande Junie tot Augustus weinig of geen netto toestroming van Britse kapitaal plaasgevind het en dat die tekort in lopende rekening teenoor die sterlinggebied 'n min of meer volledige invloed op die Bank se sterlingsaldo's kon hê. Die vermindering in die Bank se valutabesit, en derhalwe in sy verpligtinge teenoor die publiek, het 'n gunstige invloed gehad op sy dekkingspersentasie, wat van 35.7 persent per einde Mei tot 36.9 persent per einde Junie gestyg en daarna slegs effens gedaal het tot 34.8 persent per einde Augustus en wel ondanks die feit dat sy goudvoorraad in dié drie maande met £19.8 miljoen afgeneem het.

Die Reserwebank se verpligtinge ten aansien van note het effens gedaal van £65.8 miljoen per einde 1947 tot £65.4 miljoen per einde Julie 1948, dog daar die handelsbanke se besit aan note van die Reserwebank in hierdie periode met £2.7 miljoen gedaal het, was daar in werklikheid 'n vermeerdering van £2.3 miljoen by note in besit van die publiek. Daarbenewens was daar 'n toename van £4.6 miljoen in die banke se onmiddellik opeisbare deposito's (bestaande uit 'n styging van £6.7 miljoen ten aansien van deposito's in lopende rekening by die handelsbanke en 'n vermindering van £2.1 miljoen ten aansien van Staats- en „ander” deposito's by die Reserwebank) en 'n toename van £0.3 miljoen by munt in omloop. Sodoende het die netto vermeerdering in die totale hoeveelheid geld in omloop in die Unie gedurende hierdie periode £7.2 miljoen beloop, naamlik van £421.2 miljoen per einde 1947 tot £428.4 miljoen per einde Julie 1948.

Daar dien egter op gelet te word dat die geldhoeveelheid einde Maart 1948 in werklikheid tot £455.7 miljoen aangegelei het, waarna dit effens gedaal het tot £452.7 miljoen per einde Mei en toe 'n skerp daling na £428.4 miljoen per einde Julie ondergaan het. Die toename groot £34.5 miljoen tussen Desember 1947 en Maart 1948 was 'n gevolg van die aanhoudende netto toestroming van Britse kapitaal sowel as van 'n uitbreiding van bankkrediet in die Unie tot 'n bedrag van £4.5 miljoen en 'n verskuiwing van termyn- na onmiddellik opeisbare deposito's by die handelsbanke groot £2.9 miljoen gedurende genoemde tydperk; terwyl die daling van £27.3 miljoen tussen Maart en Julie, wat ondanks 'n verdere uitbreiding van handelsbankkrediet met £19.9 miljoen geskied het, in verband te bring is met die groot netto tekort op die Unie se betalingsbalans en die afname in die toestroming van kapitaal. Ofskoon die handelsbanke se syfers per einde Augustus nog nie beskikbaar is nie, is dit waarskynlik dat deur die voortwerking van laasgenoemde faktore gedurende vermelde maand 'n verdere afname in die geldhoeveelheid veroorsaak is.

Hoofsaaklik om bovermelde redes het die handelsbanke se totale deposito's in die Unie van £392.1 miljoen per einde 1947 tot £414.5 miljoen per einde Maart 1948 gestyg, maar tot £395.0 miljoen per einde Julie gedaal. Andersyds het hulle kasvoorraad van £178.6 miljoen per einde 1947 tot £192.5 miljoen per einde Maart 1948 toegeneem en toe tot £151.5 miljoen per einde Julie gedaal; terwyl hulle gesamentlike diskonteringe, voorskotte en beleggings 'n ononderbroke reeks maandelikse vermeerderings vertoon het van £220.0 miljoen per einde 1947 tot £244.4 miljoen per einde Julie 1948. In dié omstandighede het hulle kasdekkingspersentasie van 45.4 persent per einde 1947 tot 38.2 persent per einde Julie 1948 gedaal, terwyl die verhouding van diskonteringe en voorskotte tot verpligtinge teenoor die publiek van 29.7 persent tot 34.9 persent onderskeidelik gestyg het.

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