

OORSIG VAN GELD- EN BANKWESE.

Julie tot November 1949.

In die afgelope vyf maande het in die Unie verskeie belangrike gebeurtenisse, wat 'n gewigige invloed op die land se geld- en bankwese het, plaasgevind. Na hulle volgorde in die tyd kan die vernaamste van dié voorvalle as volg saamgevat word:

(1) Die instelling van 'n volledige stelsel van invoerbeheermaatreëls met ingang 1 Julie. In teenstelling tot die regulasies wat voordien van krag was, sou dié maatreëls op die sterling- sowel as die nie-sterlinggebied betrekking hê.

(2) Die devaluasie van die Suid-Afrikaanse pond in verhouding tot die goud wat op 18 September tegelyk met en in dieselfde mate as dié van die Britse pond sterling plaasgevind het, naamlik met ongeveer 30·5%. Die vernaamste onmiddellike gevolge van hierdie stap was, eerstens, dat die Unie se goudprodusente 'n prys van 248s. 3d. per fyn ons goud, vergeleke met die vorige prys van 172s. 6d. per fyn ons, sou ontvang en, tweedens, dat, aangesien die waarde van die Verenigde State se dollar in terme van die goud onveranderd gebly het, die Suid-Afrikaanse pond gelyk aan 2·80 dollar van die Verenigde State, vergeleke met die vorige koers van 4·03 dollar per S.A. pond, sou wees. Hoewel nie steeds in dieselfde mate nie, het baie ander lande die Britse voorbeeld nagevolg, soos blyk uit die tabel op bladsye 15 en 16 in hierdie uitgawe, wat die ou en nuwe pariteite, soos deur die Internasionale Montére Fonds vir die geldeenheid van sy lede bepaal, aangee. Die daaruit voortvloeiende nuwe wisselkoerse vir sover dit die Unie betref word in Tabel XVII in hierdie uitgawe weergegee.

(3) Die oopstel van sy deure vir sake deur die Nasionale Finansiekorporasie van Suid-Afrika op 20 September. Die administrasie van die Korporasie, wat gestig is met die doel om die Unie se braakliggende kapitaal te mobiliseer, is gevestig aan die hoofkantoor van die Suid-Afrikaanse Reserwebank. Dit neem van die publiek daggeld-deposito's aan in bedrae van minstens £50,000 per keer, terwyl tewens geen geld in kleiner bedrae as die genoemde aan die Korporasie onttrek kan word nie. Ten aansien van sulke deposito's bied dit tans 'n rente van $\frac{7}{8}\%$ per jaar aan, wat per kwartaal op die daagliks saldo betaalbaar is. In hierdie verband kan ook vermeld word dat, ten gevolge van die groot daling in die handelsbanke se kasvoorraad in die Unie, die vereiste ingevolge die Bankwet van 1942 dat die banke by die Reserwebank minimum-kassaldo's gelyk aan 10 persent van hulle onmiddellik opeisbare verpligtinge en 3 persent van hulle termynverpligtinge in die Unie moet aanhou, tydelik verlig is tot 7 persent wat onmiddellik opeisbare verpligtinge betref.

(4) Die verskillende veranderings wat in die loop van Oktober in verband met die rentekoers-

struktuur van die Unie aangekondig is. Op 10 Oktober is die diskontokoers ten aansien van Unie-skatkiswissels met 6 maande looptyd van $\frac{3}{4}\%$ tot 1% verhoog, terwyl dié met betrekking tot wissels met 12 maande looptyd van $1\frac{1}{4}\%$ tot $1\frac{1}{2}\%$ verhoog is. Die Suid-Afrikaanse Reserwebank het op 13 Oktober sy amptelike diskontokoers van 3% tot $3\frac{1}{2}\%$ verhoog en op 17 Oktober het die handelsbanke sy voorbeeld nagevolg deur die verhoging van hulle minimum-koers op oortrekings van $4\frac{1}{2}\%$ tot 5%, hulle koers op vaste deposito's vir 'n halfjaar van $\frac{1}{2}\%$ tot 1% en hulle koers op vaste deposito's vir 'n jaar van $1\frac{1}{2}\%$ tot 2%, d.w.s. op deposito's tot 'n bedrag van £20,000 per persoon en daarna $\frac{1}{2}\%$. Wat betref die rentekoerse op spaardeposito's, het die handelsbanke hulle koers verhoog van $1\frac{1}{2}\%$ tot 2%, maar dié van die Posspaarbank het onveranderd op $2\frac{1}{2}\%$ bly staan. Wat die bougenootskappe betref, is tot dusver geen amptelike veranderings in hulle rentekoerse aangekondig nie.

(5) Die uitgifte van verskillende lenings binne die Unie, sowel as van 'n lening van die Unie-regering op die Londense mark, gedurende die maand November. Die volgende lenings, wat die publiek almal geheel volteken het, is in die Unie uitgegee:

	Bedrag	Rente-koers	Emmissie-prys	Terugbetaalbaar
Elektrisiteitsvoorsieningskommissie . .	£3,000,000	$3\frac{3}{4}\%$	£99	1969/74
Munisipaliteit Johannesburg	£3,000,000	$3\frac{3}{4}\%$	£99	1962/65
Munisipaliteit Durban	£3,000,000	$3\frac{3}{4}\%$	£99	1962/65
Munisipaliteit Pretoria	£1,500,000	$3\frac{3}{4}\%$	£98	1965/70

Die Unie-regering het op die Londense mark 'n lening van £10,000,000 teen $3\frac{1}{2}\%$, 1965/67, en 'n emissieprys van £99 uitgegee. Die waarskynlikheid dat die Unie-regering krediete van 'n groep Amerikaanse banke, sowel as 'n lening van 'n groep Switserse banke, sal ontvang, is eweneens aangekondig.

Aangesien die volledige uitwerking van die bovenoemde gebeurtenisse op hierdie tydstip nog nie bepaal kan word nie, en 'n meer gedetailleerde oorsig van die Unie se ekonomiese toestand gedurende 1949 in ons uitgawe van Maart 1950 gegee sal word, kan ons tans aandag skenk aan enige van die meer onmiddellike gevolge daarvan soos hulle in die syfers rakende die Unie se geld- en bankwese gedurende die afgelope paar maande tot uitdrukking gekom het.

MONETARY AND BANKING REVIEW.

July to November, 1949.

During the past five months several notable events have occurred in the Union, which have an important bearing on the country's monetary and banking position. In order of time sequence, the principal of these events may be summarised as follows:

(1) The imposition of a full system of import control measures as from the 1st July. As distinct from the regulations in force prior to that date, these measures were to cover the sterling- as well as the non-sterling area.

(2) The devaluation of the South African pound relative to gold which took place on the 18th September, simultaneously with, and to the same extent as, the British pound sterling, namely, by approximately 30·5%. The principal immediate results of this step were, firstly, that Union gold producers would receive a price of 248s. 3d. per fine ounce of gold compared with the previous price of 172s. 6d. per fine ounce, and secondly, that, since the value of the United States dollar in terms of gold had remained unchanged, the South African pound would be equivalent to 2·80 U.S. dollars compared with the previous rate of 4·03 dollars per S.A. pound. Many other countries followed the British example, although not always to the same extent, as can be seen from the table published on pages 15 and 16 of this issue, which gives the old and new par values established by the International Monetary Fund for member currencies. The resulting new exchange rates in the case of the Union are shown in Table XVII of this issue.

(3) The opening for business of the National Finance Corporation of South Africa on the 20th September. The administration of the Corporation, which was established with a view to mobilising the Union's idle capital, is centralised at the Head Office of the South African Reserve Bank. It accepts deposits on call from the public in amounts of not less than £50,000 at a time, while withdrawals from the Corporation may also be for not less than this amount. On deposits of this nature it at present offers a rate of interest of $\frac{5}{8}\%$ per annum payable quarterly on daily balance. In this connection it may also be mentioned that, on account of the big drop in the commercial banks' cash reserves in the Union, the requirement under the Banking Act of 1942, that the banks must maintain minimum reserve balances with the Reserve Bank amounting to 10 per cent of their demand liabilities and 3 per cent of their time liabilities in the Union, has been reduced, on a temporary basis, to 7 per cent in the case of demand liabilities.

(4) The several changes announced during the month of October, concerning the interest rate

structure of the Union. On the 10th October, the discount rate for Union Treasury Bills of 6 months currency was increased from $\frac{4}{5}\%$ to 1%, while that for bills of 12 months currency was increased from $1\frac{1}{4}\%$ to $1\frac{1}{2}\%$. The South African Reserve Bank raised its official rate of discount from 3% to $3\frac{1}{2}\%$ on the 13th October, and on the 17th October, the commercial banks followed suit by raising their minimum overdraft rate from $4\frac{1}{2}\%$ to 5%, their rate on six months fixed deposits from $\frac{1}{2}\%$ to 1%, and their rate on twelve months fixed deposits from $1\frac{1}{2}\%$ to 2%, i.e. on deposits up to £20,000 per person and thereafter $\frac{1}{2}\%$. As regards the rates paid on savings deposits, the commercial banks increased their rate from $1\frac{1}{2}\%$ to 2%, but that of the Post Office Savings Bank remained unchanged at $2\frac{1}{2}\%$. In the case of Building Societies, no official changes in their rates have been announced to date.

(5) The floating of several loans in the Union, as well as a Union Government loan on the London market, during the month of November. The following loans, all of which were fully subscribed by the public, were issued in the Union:

	Amount	Rate of Interest	Issue Price	Repayable
Electricity Supply Commission	£3,000,000	$3\frac{3}{4}\%$	£99	1969/74
Municipality of Johannesburg	£3,000,000	$3\frac{3}{4}\%$	£99	1962/65
Municipality of Durban	£3,000,000	$3\frac{3}{4}\%$	£99	1962/65
Municipality of Pretoria	£1,500,000	$3\frac{3}{4}\%$	£98	1965/70

The Union Government floated a loan of £10,000,000 on the London market at $3\frac{1}{2}\%$ per cent, 1965/67, and an issue price of £99. The probability of the Union Government obtaining credits from a group of American banks, as well as a loan from a group of Swiss banks, has also been announced.

While the full effects of the above-mentioned events cannot be judged at this stage, and since a more detailed review of the Union's economic position in 1949 will be undertaken in our issue of March, 1950, we may turn here to study some of the more immediate effects as they have been reflected in the Union's monetary and banking figures for the past few months.

BETALINGSBALANS.

Vergeleke met die tweede kwartaal het in die derde kwartaal van 1949, hoofsaaklik as gevolg van die nuwe invoerbeheermaatreëls, 'n merkbare verandering in die Unie se balans in lopende rekening teenoor die buitewêreld ingetree.

Die goedere-invoer het gedaal van ongeveer £89 miljoen in die tweede kwartaal tot ongeveer £79 miljoen in die derde, d.w.s. 'n daling van omtrent £49 miljoen tot omtrent £41 miljoen onderskeidelik vir sover dit die sterlinggebied aangaan en 'n klein daling van omtrent £40 miljoen tot omtrent £38 miljoen onderskeidelik wat die nie-sterlinggebied betref. Andersyds het die goedere-uitvoer, waarby skeepsbenodighede en goudprodukte, effens gestyg van omtrent £30 miljoen in die tweede kwartaal tot ongeveer £34 miljoen in die derde kwartaal, in hoofsaak die gevolg van 'n stygging van ongeveer £18 miljoen tot ongeveer £21 miljoen onderskeidelik in goedere wat vir die sterlinggebied bestemd was. Word dus die onsigbare poste sowel as die land se goudproduksie (min netto verbruik in die Unie) in rekening gebring, is die voorlopige skatting dat die netto tekort op die Unie se balans in lopende rekening teenoor die buitewêreld van ongeveer £48 miljoen in die tweede kwartaal tot ongeveer £31 miljoen in die derde gedaal het.

Ook ten aansien van die kapitaalbalans het die derde kwartaal 'n omkering van die beweging tydens die tweede kwartaal te sien gegee. Die voorlopige skattings dui op 'n gunstige kapitaalbalans van omtrent £19 miljoen gedurende die derde kwartaal, waarvan 'n aansienlike bedrag waarskynlik toe te skryf is aan die ontvangs van goedere gedurende die derde kwartaal waarvoor betaling reeds in die tweede kwartaal gemaak is; die balans verteenwoordig kapitaal vir beleggingsdoeleindes waarvan die oorgrote deel in die vorm van sterling ontvang is. Word dus die balans in lopende en in kapitaalrekening verenig, dan blyk dat die Unie se totale tekort teenoor die buitewêreld van ongeveer £54 miljoen in die tweede kwartaal tot ongeveer £12 miljoen in die derde gedaal het.

By die vereffening van die tekort tydens die derde kwartaal het die Unie 'n netto verlies aan valuta gely ten bedrae van ongeveer £6 miljoen, aangesien die stygging van omtrent £24 miljoen in die gesamentlike valutabesit van die Reserwebank, die handelsbanke en die Unie-regering oortref is deur die saldo op die goudlening aan die Verenigde Koninkryk wat opgevra is, nl. £30 miljoen. Daarby het sy netto goudverkope aan die buitewêreld, ná aftrek van die goudproduksie, ongeveer £6 miljoen bedra, d.w.s. bereken teen die pryswaarde die transaksies werklik plaasgevind het.

Van September tot einde November het die Reserwebank se goudvoorraad, wat nog teen die prys van 172s. per fyn ons aangegee word, 'n

geringe daling van £29.7 miljoen tot £29.6 miljoen vertoon, terwyl sy valutabesit van £24.7 miljoen tot £46.0 miljoen onderskeidelik toegeneem het. Vir die eerste maal sedert Maart 1948 dus, het die Bank se gesamentlike goud- en valutavoorraad 'n stygende beweging vertoon, wat 'n gunstige wending in die betalingsbalansposisie van die Unie weerspieël. Hierdie gunstige wending hang saam met die regstreekse en onregstreekse gevolge van die invoerbeperkinge en die devaluasie van die Suid-Afrikaanse pond en, in die besonder, met die voortgesette toestroming van sterlingkapitaal.

GELD IN OMLOOP.

Die hoeveelheid geld in omloop in die Unie het gedurende die derde kwartaal aanhou daal, naamlik van £358 miljoen aan die einde van Junie tot £348 miljoen aan die einde van September. Hierdie verdere daling van £10 miljoen was weer hoofsaaklik toe te skryf aan die Unie se ongunstige betalingsbalans soos weerspieël in die netto afname gelyk ongeveer £15 miljoen in die Reserwebank se gesamentlike goud- en valutavoorraad, d.w.s. na inagneming van die terugbetaling van die saldo groot £30 miljoen op die goudlening aan die Verenigde Koninkryk, gedurende dié drie maande. Andersyds het die bankkrediet gedurende dieselfde tydperk met ongeveer £3 miljoen toegeneem, synde die netto gevolg van 'n toename gelyk ongeveer £15 miljoen in die Reserwebankkrediet, wat hoofsaaklik aan die Unie-regering verleen is, en 'n vermindering gelyk ongeveer £12 miljoen in die handelsbankkrediet, terwyl die „ander“ poste 'n stygging van ongeveer £2 miljoen vertoon.

In die maand Oktober, toe die Unie se betalingsbalans 'n gunstige wending neem, het die geld in omloop, ondanks die netto afname gelyk ongeveer £7 miljoen in die totale bankkrediet, in werklikheid 'n klein stygging van ongeveer £4 miljoen vertoon. In hierdie verband kan vermeld word dat 'n afname van ongeveer £11 miljoen in die Reserwebankkrediet gedurende Oktober plaasgevind het, hoofsaaklik omdat die Unie-regering £9 miljoen van sy lenings by die Bank terugbetaal het, 'n stap wat deur die bestaan van die Nasionale Finansiekorporasie moontlik geword het. Die handelsbanke het in dié maand ongeveer £10 miljoen in die Korporasie belê, terwyl as gevolg van hulle beleid van kredietinkrimping en die daling in die Unie se buitelandse handel, hulle gesamentlike diskonteringe, voorskotte en beleggings 'n verdere daling van ongeveer £6 miljoen vertoon het.

BANKDEBETTE.

Die debetposte van die banke het, nadat hulle, waarskynlik hoofsaaklik as gevolg van die kleinere betalings ten aansien van invoere, van £559.0 miljoen in Junie tot £510.5 miljoen in Julie gedaal het, daarna tot £547.7 miljoen in September en £567.9 miljoen in Oktober gestyg. Dié stygende

BALANCE OF PAYMENTS.

Principally as a result of the new import control measures, there was a marked change in the Union's current account balance with the outside world during the third quarter of 1949, compared with the second quarter.

Imports of merchandise declined from about £89 million in the second quarter to about £79 million in the third, made up of a drop from about £49 million to about £41 million respectively in the case of the sterling area, and a small decline from about £40 million to about £38 million respectively in the case of the non-sterling area. Exports of merchandise on the other hand, the figures for which include ships' stores and gold products, increased slightly from about £30 million in the second quarter to about £34 million in the third quarter, reflecting mainly an increase from about £18 million to about £21 million respectively in the case of goods going to the sterling area. Thus, taking account of invisible items as well as the country's gold output (less net consumption in the Union), preliminary estimates indicate that the Union's net current deficit with the outside world declined from about £48 million in the second quarter to about £31 million in the third.

Also on capital account the third quarter brought a reversal of the movement during the second quarter. The preliminary estimates indicate a favourable balance on capital account of about £19 million during the third quarter, a substantial part of which probably represents the receipt of goods during the third quarter for which payment was made during the second quarter; the balance representing capital for investment, the bulk of which was received in the form of sterling. Thus, combining the current and capital accounts, it appears that the Union's total net deficit with the outside world dropped from about £54 million in the second quarter to about £12 million in the third.

In financing the third quarter deficit the Union's net loss in exchange amounted to about £6 million, the increase of about £24 million in the combined exchange holdings of the Reserve Bank, commercial banks and Union Government being more than offset by the repayment claimed of the balance of the gold loan to the United Kingdom, namely £30 million. In addition, its net gold sales to the outside world, after deducting the gold output, amounted to about £6 million, i.e. calculated at the prices at which the transactions actually took place.

From September to the end of November, the Reserve Bank's gold holdings, which are still shown at the price of 172s. per fine ounce, declined slightly from £29.7 million to £29.6 million, while its exchange holdings increased from £24.7 million to £46.0

million, respectively. Thus, for the first time since March, 1948, the Bank's combined gold and exchange resources have shown an upward movement, reflecting a favourable turn in the Union's balance of payments position. This favourable turn is to be associated with the direct and indirect effects of the import restrictions and the devaluation of the South African pound, and in particular, with the continued inflow of sterling capital.

MONEY IN CIRCULATION.

The quantity of money in circulation in the Union continued to decline during the third quarter of 1949, the amount falling from £358 million at the end of June to £348 million at the end of September. This further decline of £10 million was again principally accounted for by the Union's unfavourable balance of payments as reflected in the net decline of about £15 million in the Reserve Bank's combined gold and exchange holdings, i.e. after taking account of the repayment of the balance of £30 million of the gold loan to the United Kingdom, during these three months. On the other hand, bank credit increased by about £3 million over the same period, being the net result of an increase of about £15 million in Reserve Bank credit, extended mainly to the Union Government, and a decrease of about £12 million in commercial bank credit; while "other" items accounted for an increase of about £2 million.

During the month of October, with the Union's balance of payments taking a favourable turn, the money in circulation actually showed a small increase of about £4 million, in spite of the net reduction of about £7 million in total bank credit. In the latter connection it may be mentioned that there was a reduction of £11 million in Reserve Bank credit during October, mainly as a result of the Union Government repaying £9 million of its borrowings from the Bank, a step which became possible on account of the existence of the National Finance Corporation. The commercial banks invested about £10 million in the Corporation during that month, while as a result of their policy of credit restriction and the decline in the Union's foreign trade, their combined discounts, advances and investments showed a further decline of about £6 million.

BANK DEBITS.

Bank debits, after falling from £559.0 million in June to £510.5 in July, probably mainly as a result of smaller payments on imports, increased thereafter to £547.7 million in September and

beweging, wat, gesien die dalende neiging in die hoeveelheid geld in omloop gedurende hierdie tydperk, 'n sterk styging in die gemiddelde omloop-snelheid van die geld weerspieël, moet in hoofsaak in verband gebring word met die verhoogde omsette op die effektebeurs ná die devaluasie van die Suid-Afrikaanse pond. Die werklike omvang van die toename in die omsette op die effektebeurs word egter nie volledig in hierdie syfers weerspieël nie, aangesien hulle slegs die netto vereffening van transaksies tussen makelaars en klante omvat. Verdere faktore wat in September en Oktober 'n neiging gehad het om die debetposte

van die banke en derhalwe ook die omloopsnelheid van die geld te laat toeneem, was die bedrywighede van die Nasionale Finansiekorporasie en die verhoogde waarde van die wolverkope ná die devaluasie van die Suid-Afrikaanse pond.

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5 Desember 1949.

£567·9 million in October. This upward movement, which, in the light of the declining tendency in money in circulation over this period, reflects a strong increase in the average velocity of circulation of the money supply, must be primarily associated with the increased turnover on the stock market, following the devaluation of the South African pound. The actual extent of the increased stock market turnover is, however, not truly reflected in these figures in so far as they merely include the net settlements of transactions between brokers and customers. Other factors which have tended to increase bank debits and,

therefore, the velocity of money during September and October, have been the activities of the National Finance Corporation, and the increased value of wool sales following the devaluation of the South African pound.

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Statistician.

5th December, 1949.
