

Die Unie se Nasionale Rekeninge, 1946 – 1950

INLEIDING

In die September 1951-uitgawe van hierdie kwartaalblad is 'n tabel met beleggingstatistiek van die Unie vir die periode 1938-50 ingesluit (herdruk as Tabel XXX in hierdie uitgawe). Die huidige berekenings i.v.m. die Unie se nasionale rekeninge (vgl. Tabel XXXI) poog om die statistiese ontleding van die inkomste- en uitgawestroom in die ekonomie verder te voer deur nie net beleggingsyfers nie maar ook die ander verwante groothede wat gewoonlik in 'n opsplitsing van die inkomste- en uitgawe-totale van 'n ekonomiese stelsel onderskei word, in te sluit. Die term „nasionale rekeninge” word op hierdie opsplitsing van die lopende en kapitaal-transaksies wat in die hoofvertakings van die ekonomiese stelsel in 'n gegewe termyn, gewoonlik 'n kalenderjaar, plaasvind, toegepas.

Tabel XXXI bestaan uit 5 sub-tabelle, wat vanaf A tot E genommer is. Hierdie sub-tabelle het op die volgende onderwerpe betrekking:—

Tabel A: die afleiding van die bruto volksproduksie teen markwaarde;

Tabel B: volksinkomste en -uitgawe;

Tabel C: private inkomste en uitgawe;

Tabel D: inkomste en uitgawe van owerheidsliggame, en

Tabel E: besparing en belegging, d.w.s. die Unie se kapitaalrekening.

Na 'n kort bespreking van die hoofbegrippe wat in die tabelle gebruik word, word 'n oorsig gegee van die mees belangrike punte wat deur die syfers, na vore gebring word.

BEGRIPE GEBRUIK IN DIE BEREKENINGS

Die Unie se bruto volksproduksie (Tabel XXXI A) is die waarde teen heersende pryse van die opbrengs aan goedere en dienste wat deur sy inwoners geproduseer is. Die inkomste wat deur buitelandse kapitaal en ander produksiefaktore van die buiteland, bv. die naturellerebonders van aangrensende gebiede, wat in die Unie se bedryfsstruktuur dienste verrig, word nie in genoemde syfers ingesluit nie, aangesien dit nie 'n deel van die land se nasionale produk uitmaak nie. Die aansuiwering wat op hierdie wyse t.o.v. die Unie se binnelandse of geografiese produksie gemaak moet word om die bruto volksproduksie te kan bereken het in 1950 op 'n bedrag van meer as £50 miljoen te staan kom.

Van twee verwante begrippe, t.w. netto volksinkomste en -uitgawe teen *faktorkoste* en teen *markwaarde*, word in Tabel XXXI B gebruik gemaak. Hierdie begrippe word as „netto” bestempel omdat waardeverminderingsbedrae nie in hul berekening in ag geneem is nie. Die byvoeging van hierdie bedrae lei tot die bruto volksproduksietotale wat in die vorige tabel teëgemoet is. Die uitdrukking „volksinkomste teen faktorkoste” het op die inkomste wat aan die verskillende produksiefaktore betaalbaar is, betrekking. Om „volksuitgawe teen

markwaarde” van „volksinkomste teen faktorkoste” te herlei vereis die byvoeging van indirekte belastinge, min subsidies. Indirekte belastinge, soos doeanes en aksynsregte, maak nie deel uit van die „faktorkoste” van die betrokke goedere nie, maar word toegevoeg wanneer die „markwaarde” van hierdie goedere bepaal word; die teenoorgestelde geld in die geval van subsidies, wat bestaan uit geldelike hulp verskaf deur die regering aan private ondernemers, soos koring- en mielieboere, met die doel om die markprys van die betrokke produkte op 'n laer peil vas te stel as wat die geval sou gewees het as die werklike produksie- of faktorkoste as basis vir die markprysbepaling geneem sou gewees het.

Vir die doeleindes van die huidige berekenings word die ekonomiese stelsel in twee breë afdelings verdeel, t.w. die private en die openbare vertakking, en aparte rekenings word vir elk opgestel. Tabel XXXI C het betrekking op die private vertakking, wat die inkomste- en uitgawetransaksies van alle uiteindelijke verbruikers, soos bv. gesinshuishoudings, omvat. Nie-wins-organisasies, soos bv. liefdadigheidsliggame, bemarkingsrade, e.d.m. word ook in hierdie vertakking ingesluit. Pos 4(b), d.w.s. oordragbetalings, bestaan uit bedrae wat deur individue van die regering ontvang is maar waarvoor daar geen lopende dienste verrig is nie, bv. oorlogspensioene. Die owerheidsvertakking se werksaamhede word in Tabel XXXI D uiteengesit. Onder hierdie owerheidsliggame word die Unie-regering, die provinsiale administrasies en plaaslike besture (bv. stadsrade, gesondheidsrade en afdelingsrade) ingesluit.

Al die saldo's van die voorafgaande rekening word in die finale rekening, d.w.s. die samegestelde kapitaalrekening van die Unie (Tabel XXXI E), byeengebring. Private besparings [pos 8 (a)] is die sluitpos m.b.t. inkomste en uitgawe in Tabel XXXI C [pos 5 (c)], en dieselfde geld t.o.v. die lopende surplus van die owerheidsliggame [poste 8 (b) en 7 (d) in Tabelle XXXI E en XXXI D, onderskeidelik]. Private en openbare besparings, plus lopende inkomste wat regstreeks deur die Unie-regering na sy leningsrekening gekrediteer is [pos 8 (c), Tabel XXXI E], verteenwoordig totale binnelandse besparings, en, tesame met die fondse verkry van oorsese leners en uit die verkopings van goud- en valutareserwes, verskaf dit die fondse wat vir die finansiering van die kapitaalbenodigdhede van die land beskikbaar is.

Tabel XXXI se syfers het op kalenderjare betrekking, sodat aansuiweringe gemaak moes word vir die Sensusburo se volksinkomstesyfers, wat die periode Julie-Junie dek, en die syfers van die owerheidsliggame, wat op 'n belastingjaarbasis is. Aangesien die jongste gepubliseerde volksinkomstesyfer dié vir die jaar geëindig Junie 1950 is, moes die syfer vir die kalenderjaar 1950 geskat word. Ander

skattings was nodig vir gevalle waar die jongste gegewens nog nie beskikbaar was nie, bv. vir owerheidsliggame. Die 1950-syfers moet dus as voorlopig beskou word.

Klem moet gelê word op die feit dat regstreekse skattings van persoonlike verbruiksuitgawes en private besparings nie in die huidige berekenings aangedurf is nie vanweë die gebrek aan die nodige gegewens. Hierdie twee groothede is as resposte in Tabel XXXI B en Tabel XXXI C, onderskeidelik, afgelei, sodat weglatings en statistiese tekortkomings t.o.v. die ander poste in hierdie tabelle in hierdie resposte tot uiting sal kom.

NEIGINGS t.o.v. VOLKSINKOMSTE- EN UITGAWE, 1946-50

Die uitwerking van die abnormale toestande wat die na-oorlogse fase van die konjunkturgolf in die Unie kenmerk, word op 'n treffende wyse in die nasionale rekeninge vir die periode 1946-50 blootgelê. Terwyl 'n sterk stygende beweging dwarsdeur hierdie periode in die inkomste- en uitgawetotale waargeneem kan word, het daar dramatiese verskuiwings in die samestellende poste van hierdie totaalbedrae, soos bv. negatiewe buitelandse belegging, persoonlike verbruik, en private besparings, plaasgevind.

Twee hoof faktore is vir die opvallende veranderinge in die samestelling van die inkomste- en uitgawetotale verantwoordelik. Die eerste faktor is die resultaat van die invloed van die gedwonge inkorting van verbruiksuitgawe, sowel as van kapitaaluitgawe t.o.v. burgerlike ondernemings, gedurende Wêreldoorlog II. Aan die einde van die oorlog moes 'n groot agterstand t.o.v. die voorsiening van verbruiksgoedere, veral van ingevoerde duursame verbruiksgoedere, ingehaal word, terwyl voorrade van bedrywe 'n laagtepunt bereik het; bowendien was daar 'n ongeëwenaarde reeks van beleggingsgeleenthede in die mynweese, die boubedryf, die nywerheid, die vervoer-, krag- en verkeersweese, en die boerdery. Hierdie opgehoopte vraag na goedere was dus 'n aanduiding dat die uitgawes van Unie-inwoners 'n rekordomvang sou bereik sodra omstandighede die bevrediging van hierdie behoeftes moontlik sou maak. Die stimulerende uitwerking van hierdie toestand was van groot betekenis tot aan die einde van 1948, en die belangrikste gevolg van hierdie ontwikkelings t.o.v. die Unie se ekonomie was dat dit tot 'n toenemende verswakking in die betalingsbalans gelei het.

Die tweede faktor wat die gedrag van die inkomste- en uitgawetotale in die na-oorlogse periode beïnvloed het, tree teen die einde van 1948 op die voorgrond. Hierdie nuwe faktor is die amptelike inkortingsbeleid, wat in maatreëls soos invoerbeheer sy belligaming vind, en wat die uitbreiding van uitgawes aan verbruiksgoedere aan bande lê, en sodoende persoonlike besparings verhoog, wat op sy beurt weer die invloed van die daling in kapitaal-invoere teengaan. Met die oog op 'n beklemtoning van die rol van die twee bogenoemde faktore kan die

periode 1946-50 dus in twee sub-periodes, t.w. 1946-48 en 1949-50, verdeel word.

Eerstens kan die gebeurtenisse tot die einde van 1948 in die lig van die nasionale rekeningesyfers bespreek word. Die uitgawe van verbruiksgoedere en -dienste gedurende elk van die twee laaste oorlogsjare, nl. 1944 en 1945, was ongeveer £450 miljoen. Gedurende dié twee jare was die syfers vir netto private belegging £23.3 miljoen en £38.3 miljoen, onderskeidelik, en vir die totaal van netto openbare en private belegging £39.2 miljoen en £61.3 miljoen onderskeidelik. Voor-die-hand-liggende gevolgtrekkings kan van die verbruik- en beleggingsyfers gedurende die volgende drie jaar, wat in Tabel XXXI aangetoon word, gemaak word. Uitgawe aan verbruiksgoedere het in 1948 £720.4 miljoen bedra, vergeleke met £450 miljoen in 1945, d.w.s. 'n persentasie styging van ongeveer 60 persent binne drie jaar. Netto private belegging en die totaal van netto private en openbare belegging het in 1948 op £141.3 miljoen en £203.9 miljoen, onderskeidelik, te staan gekom, d.w.s. toenames van 268.9 persent en 232.6 persent, onderskeidelik, vergeleke met 1945. Gedurende dieselfde driejaarperiode het die Unie se nasionale produksie aan goedere en dienste, soos gemeet deur die volksinkomste, met slegs 23.9 persent, d.w.s. van £646.9 miljoen na £801.2 miljoen, toegeneem. Dit spreek dus vanself dat 'n ekonomiese stelsel soos die van die Unie, wat selfs in normale tye 'n ongunstige betalingsbalans op lopende rekening het, nie in staat was om aan die ongeëwenaarde toename in die vraag na verbruiks- en kapitaalgoedere te voldoen nie, en gevolglik het invoere rekordhoogtes bereik.*

Die enigste manier waarop die gaping tussen die ekonomie se eie bronne en sy abnormale behoeftes in die jare onmiddellik na die oorlog gevul kon word was natuurlik deur kapitaal-invoere en deur die verkoping van goud- en valutareserwes wat gedurende die oorlog opgebou is. Hierdie gaping het in die jare 1946-48 £72.0 miljoen, £188.0 miljoen en £185.5 miljoen, onderskeidelik, bedra.

Verbruiksuitgawes het so 'n omvang in 1947 en 1948 aangeneem dat private besparings in hierdie jare selfs negatief geword het. Tussen 1946 en 1947, bv., het verbruiksuitgawe van £553.3 miljoen tot £694.9 miljoen gestyg, 'n toename van £162.6 miljoen. Gedurende dieselfde periode het private inkomste (voor belasting) met slegs £48.7 miljoen toegeneem, d.w.s. vanaf £674.9 miljoen na £723.6 miljoen. Aangesien £64.5 miljoen aan direkte belasting betaald moes word, bo en behalwe die uitgawe aan verbruiksgoedere, het private uitgawe vir private inkomste in 1947 oortref. Hierdie negatiewe besparing deur die private sektor, is in 1948

* As 'n aanduiding van die toename in die uitgawes aan duursame verbruiksgoedere sedert 1945, kan die geval van passasiersmotorvoertuie hier gemeld word. Die getal nuwe motors geregistreer was 261 in 1945, 15,050 in 1946, 44,420 in 1947 en 61,052 in 1948.

herhaal. Die fondse wat nodig was om hierdie tekort in private inkomste vergeleke met private uitgawe te finansier, is verskaf deur gebruik te maak van die oorfloedige likwiede bates wat gedurende die oorlogsperiode, toe persoonlike besparing baie aansienlik was, opgebou is en deur die verkoping van bates soos vaste eiendom en effekte op 'n tydstip toe daar baie oorsese fondse was wat vir beleggingskanse gesoek het. Die feit dat die private vertakking van die ekonomiese stelsel op sy kapitaal geteer het, het egter nie tot 'n stopsetting van netto belegging gelei nie, soos wel die geval sou gewees het indien dit die enigste bron van fondse vir beleggingsdoeleindes was. Intendeel, soos reeds vermeld, was die Unie besig om teen 'n rekordkoers sy binnelandse kapitaal Bates uit te brei. Die uitwerking van die negatiewe private besparings het in 'n beperkte mate 'n teenwig in die positiewe besparings van die owerheidsliggame gehad, hoewel laasgenoemde bedrag nie voldoende was om totale binnelandse besparings in 'n positiewe bedrag in 1947 te verander nie. Verreweg die grootste deel van die taak om die invloed van die negatiewe private besparings teen te gaan is deur oorsese beleggers en deur die verkoping van die Unie se goud- en valutareserwes vervul. Die Unie se geweldige program van binnelandse kapitaaluitgawe het dus met 'n proses van negatiewe belegging in die buiteland gepaard gegaan.

Dit moet beklemtoon word dat volgens die definisie van private besparings wat hier gebruik word, die begrip twee bestanddele insluit, nl. persoonlike en besighheidsbesparings. Besighheidsbesparings bestaan uit nie-verdeelde winste in die vorm van groter reserwes, of as saldo's wat na die volgende boekjaar oorgebring word. Dwarsdeur hierdie periode is omtrent 22 persent van totale besighheidswinste op hierdie wyse gereserveer, maar die negatiewe persoonlike besparings was so omvangryk dat dit hierdie positiewe besighheidsbesparings oortref het. Hierdie twee begrippe is egter nie heeltemal onafhanklik van mekaar nie, en as meer van die totale besighheidswinste in die vorm van dividende verklaar was, sou 'n deel van die bykomstige persoonlike inkomste miskien gespaar gewees het, sodat teenoor die kleiner bedrag aan besighheidsbesparings daar 'n ietwat hoër bedrag aan persoonlike besparings mag gewees het.

In werklikheid moes die private besparingsyfers in Tabel XXXI vir die periode 1946-48 nog laer gewees het weens die feit dat die direkte belastingbetalings wat van private inkomste afgetrek is, minder was as die werklike verpligtings t.o.v. direkte belasting in hierdie jare. Aangesien daar 'n groot agterstand was in die belastingaanslae m.b.t. die betrokke jare waarin die inkomste verdien is, het die besparingsyfers 'n bedrag ingesluit wat as reserwes vir die betaling van uitstaande belastingverpligtings beskou moet word, en nie as werklike besparings nie. Een geval van hierdie onderskatting van belastingverpligtings kan genoem word. In die geval van die boekjaar 1946-47 het die totale in-

komstebelasting (normale en super) wat op individue gehef is, £18.6 miljoen bedra, terwyl volgens die 1949-verslag van die Binnelandse Inkomstedepartement die totale inkomstebelastingverpligting vir individue vir die inkomstebelastingjaar 1946-47 £34.4 miljoen was. Alhoewel die betrokke boekjare nie dieselfde is nie, aangesien hulle in Maart en Junie, onderskeidelik, eindig, dui 'n vergelyking van die twee syfers op 'n onderskatting van die werklike 1947-belastingverpligtings. Dieselfde geld in die geval van direkte maatskappybelasting, asook vir die provinsiale direkte belasting wat op dieselfde formulier as dié wat deur die Unie-regering se aanslagkantore gebruik word, aangeslaan word.

Soos hierbo uiteengesit is die uitbreidingsfase in die Unie se totale uitgawes stopgesit deur die betalingsbalansmoelikhede wat dit tot gevolg gehad het. Private kapitaaltoevoel wat 'n hoogtepunt van £182 miljoen in 1947 bereik het, het tot £91 miljoen in 1948, en £50 miljoen in 1949, gedaal. Goud- en valutareserwes het van £267 miljoen teen die einde van Desember 1945 tot £161 miljoen (insluitende die tydelike goudlening van £80 miljoen aan die Verenigde Koninkryk) aan die einde van Desember 1948 gedaal. Aangesien daar nie vir 'n onbepaalde tyd op negatiewe buitelandse belegging gesteun kon word om die gaping tussen die Unie se uitgawe en sy volksinkome te dek nie, moes invoerbeheer ingestel word om die vloei van goedere beskikbaar vir die gebruik van die Unie se inwoners te reguleer. Dit kan ook aanvaar word dat 'n groot deel van die opgehoopde vraag na ingevoerde verbruiksgoedere na 'n drie jaar van buitengewoon hoë invoere bevredig was. Die netto uitwerking op verbruiksuitgawe van die amptelike diskrimineringsbeleid teen ingevoerde verbruiksgoedere kan duidelik in Tabel XXXI gesien word. Uitgawe op verbruiksgoedere het slegs 'n geringe vermeerdering vanaf £720.4 miljoen tot £799.0 miljoen in 1948, en tot £815.1 miljoen in 1950, getoon. Totale netto belegging het vanaf sy 1948-hoogtepunt van 203.9 miljoen na £150.7 miljoen en £147.7 miljoen in 1949 en 1950, onderskeidelik, gedaal. Hierdie daling kan hoofsaaklik aan die negatiewe belegging in voorrade wat op die instelling van invoerbeheer gevolg het, toegeskryf word. Belegging in vaste kapitaaluitrusting is op die hoë peil van 1948 volgehou. (Kapitaaluitrusting word voorkeurbehandeling verleen in die uitreiking van invoerpermitte). Lopende uitgawe van owerheidsliggame het na 1948 nog steeds toegeneem, hoewel teen 'n gematigde koers. Terwyl die verdere uitbreiding van volksuitgawes dus gedemp is of selfs 'n ommekeer ondervind, soos in die geval van netto belegging, hou die netto volksinkomste aan met styg, nl. vanaf £801.2 miljoen in 1948 tot £885.4 miljoen en £1,030.2 miljoen in 1949 en 1950, onderskeidelik.

Die gevolg van hierdie nuwe ontwikkelinge was dat private inkomste private uitgawes oortref het, en dat private besparings so hoog as £101.3 miljoen in 1950 was. Die daling ten bedrae van £101.5

miljoen in die netto oorsese lenings en die verkoping van buitelandse bates, wat tussen 1949 en 1950 plaasvind, is deur hierdie toename in private besparings teengewerk, en dit was omrede hiervan dat die totale netto belegging in vaste kapitaaluitrusting op feitlik dieselfde peil as in 1948 volgehou kon word, ten spyte van die skaarste aan buitelandse beleggingsfondse.

Gedurende die hele 1946-50-tydperk het openbare besparings 'n betreklik aansienlike rol in die finansiering van die beleggingsprogram van die land gespeel. Dit het vanaf £11.6 miljoen in 1946 tot 'n hoogtepunt van £25.4 miljoen in 1947 gestyg, en was nie veel onderkant hierdie peil in 1950 nie.

SLOTOPMERKINGS

Dit moet beklemtoon word dat die berekeninge in Tabel XXXI in terme van heersende pryse is, wat dus meebring dat die uitwerking van die na-oorlogse inflasie op die syfers nie verwyder is nie. Bruto volksproduksie teen markwaarde het van £772.0 miljoen in 1946 na £1,140.7 miljoen in 1950 toegeneem, 'n toename van 47.8 persent. Gedurende dieselfde periode het die Unie se kleinhandels- en groothandelsprysindekse met 18.8 persent en 25.5 persent, onderskeidelik, gestyg.

In die bespreking van inkomste- en uitgaweneigings het dit nuttig geblyk om 'n onderskeid tussen die werksaamhede van die private en openbare vertakings van die ekonomie te maak. Die betekenis van hierdie twee sektore in die ekonomiese lewe van die land kan afgelei word van hul betreklike aandeel

in die waarde van alle goedere en dienste wat in die Unie vir verbruiks- en beleggingsdoeleindes gekoop word. Die berekenings toon dat owerheidsliggame gedurende die periode onder bespreking vir omtrent een vyfde van alle uitgawes verantwoordelik was. Die owerheidsliggame se aandeel het tydelik gedaal in 1947 vanweë 'n absolute afname in hul lopende uitgawes. Sederdien het die uitbreiding van openbare uitgawes verband gehou met dié van die private sektor, sodat die betreklike aandeel van owerheidsuitgawes in die Unie se totale uitgawe in 1949 weer op ongeveer 20 persent te staan gekom het.

'n Belangrike kenmerk van die Unie se nasionale rekeninge gedurende die tydperk onder bespreking is die hoë peil van gesamentlike netto kapitaalvorming in verhouding tot die netto volksinkomste teen markwaarde. Hierdie persentasie was 21.3 persent in 1946, en 23.5 persent in 1948, terwyl dit in 1950 na 13.6 persent gedaal het. Hierdie hoë persentasies dui aan watter groot afmetings die Unie se na-oorlogse beleggingsopbloei aangeneem het.

Ten slotte is dit van belang om die aanmerklike veranderinge in die rol van oorsese lenings in hierdie besondere fase van die ontwikkeling van die Unie se jong en lewenskragtige ekonomie te beklemtoon. In 1947 was die verhouding tussen die netto kapitaaltoevoel en die Unie se totale uitgawes, in persentasie-terme uitgedruk, 22.7 persent. Hierdie persentasie het in 1950 gedaal na 7.1 persent.

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The Union's National Accounts, 1946 – 1950

INTRODUCTION

The September, 1951 issue of this Bulletin included a table with figures relating to investment in the Union for the period 1938-50 (reprinted as Table XXX in this issue). The present calculations in connection with the Union's national accounts (see Table XXXI) attempt to broaden the statistical analysis of the flow of income and expenditure in the economy so as to include not only investment figures but also the other interrelated aggregates that are usually distinguished in a breakdown of the national income and expenditure totals of an economy. The term "national accounts" is applied to this breakdown of the current and capital transactions which take place in the main sectors of the economic system in a certain accounting period, usually the calendar year.

Table XXXI consists of five sub-tables, numbered from A to E. These sub-tables are concerned with the following subjects:—

Table A: the derivation of the gross national product at market value;

Table B: national income and expenditure;

Table C: private income and expenditure;

Table D: public authorities' receipts and expenditure, and

Table E: savings and investment, i.e., the capital account of the Union.

After a brief discussion of the main concepts which are used in the tables, a review is given of the most important points brought out by the figures.

CONCEPTS USED IN THE CALCULATIONS

The Union's gross national product (Table XXXI A) is the value of the output of goods and services, at current prices, produced by its residents. The income earned by foreign capital and other non-resident factors of production, e.g., native labour from neighbouring territories, which participate in the Union's productive activities, is not included in the figures shown, as it does not form a part of the country's national product. The amount involved in this adjustment of the Union's domestic or geographical product so as to yield gross national product, amounts to more than £50 million in 1950.

In Table XXXI B use is made of the twin concepts, net national income and expenditure at *factor cost* and at *market value*. The reason why these concepts are termed "net" is that depreciation charges have not been included in their calculation. The addition of these charges yields the gross national product totals encountered in the previous Table. The expression "national income at factor cost" refers to the income that accrues to the various factors of production. The conversion of "national income at factor cost" into "national expenditure at market value" involves the addition of indirect taxes, net of subsidies. Indirect taxes, such as customs and excise duties, do not enter into the

"factor" cost of the goods concerned, but are added on when the "market value" of these goods is determined; the reverse applies in the case of subsidies, which are monetary aids provided by the government to private business operators, e.g. wheat and maize farmers, with a view to pegging market prices at a lower level than would have been the case if the actual production or factor costs had been used as a basis for the determination of market prices.

For the purpose of the present calculations the economy is divided into two broad sectors, namely private and public, and separate accounts are drawn up for each of them. Table XXXI C refers to the private sector, which includes the income and expenditure transactions of all final consumers, such as households. Non-profit-making bodies, such as charities, marketing boards, etc., are also included in this sector. Item 4 (b), i.e., transfer payments, consists of receipts of individuals from government for which no services are rendered currently, e.g., war pensions. The operations of the "public sector" are shown in Table XXXI D. These public authorities are the Union Government, the Provincial Administrations and Local Governments (e.g., Municipalities, Health Boards and Divisional Councils).

All the balances of the previous accounts are collected in the final account (Table XXXI E), which is the combined capital account of the Union. Private savings [item 8 (a)] form the balancing item between income and expenditure in Table XXXI C [item 5 (c)], and the same applies to the current surplus of the public authorities [items 8 (b) and 7 (d) in Tables XXXI E and XXXI D, respectively]. Private and public savings, plus the current revenue receipts voted directly to its loan account by the Union Government [item 8 (c), Table XXXI E], comprise total domestic savings, which, together with the funds obtained from abroad and from the sale of gold and exchange reserves, provide the funds available for financing the capital requirements of the country.

The figures of Table XXXI are on a calendar year basis, so that an adjustment had to be made to the national income figures of the Census Bureau, which cover the period July-June, and to the figures of the public authorities, which are on a fiscal year basis. As the latest published national income figure refers to the year ended June, 1950, the figure for the calendar year 1950 is an estimate. Other estimates are necessary in cases where up-to-date data are not yet available, e.g., the public authorities. The 1950 figures must thus be regarded as preliminary.

A point to be emphasised is that direct estimates of personal consumption expenditure and private savings have not been attempted in the present calculations, in the absence of the basic data. These two aggregates are derived as residuals in Table XXXI B and Table XXXI C, respectively, so that

omissions and statistical imperfections in regard to the other items in these tables will pile up in these residuals.

TRENDS IN NATIONAL INCOME AND EXPENDITURE, 1946-50

The effects of the abnormal conditions that characterise the post-war phase of the economic cycle in the Union are revealed in a striking manner in the national accounts for the period 1946-50. While income and expenditure totals show a pronounced upward movement throughout this period, dramatic shifts have occurred in the constituent items such as foreign disinvestment, personal consumption and private savings.

Two main factors account for the marked changes in the composition of income and expenditure aggregates. The first factor results from the influence on the Union's economy of the enforced curtailment of consumers' expenditure and capital outlay for non-war purposes during World War II. The war ended with a vast backlog of consumers' demand, especially in respect of imported durable consumers' goods, depleted business inventories, and an unprecedented range of investment opportunities in mining, building construction, manufacturing, transportation, power and communications, and agriculture. All these pent-up demands pointed to a record volume of expenditure by Union residents as soon as circumstances permitted of their satisfaction. The influence of these expansionary forces was predominant up to the end of 1948, and among the effects produced by them upon the Union's economy, the most prominent was the steadily worsening balance of payments position.

The second factor which shapes income and expenditure patterns in the post-war period starts to assert itself from the end of 1948. This new factor is the official policy of retrenchment, as embodied in measures such as import control, which curbed the expansion of expenditure on consumers' goods, and at the same time raised personal savings, which in its turn offset the influence of the fall in capital imports. With a view to stressing the role of the two factors mentioned above, the period 1946-50 may thus be divided into two sub-periods, namely 1946-48, and 1949-50.

The course of events up to the end of 1948, as seen against the background of the national accounts figures, will be discussed first. During each of the last two war years, 1944 and 1945, expenditure on consumers' goods and services was of the order of £450 million. Net private investment was £23.3 million and £38.3 million, and the total of net public and private investment £39.2 million and £61.3 million, respectively, in these two years. The consumption and investment figures during the next three years are shown in Table XXXI, and speak for themselves. Expenditure on consumers' goods amounted to £720.4 million in 1948, as against about £450 million in 1945, an increase of about 60 per

cent within three years. Net private investment and the total of net private and public investment were £141.3 million and £203.9 million in 1948, i.e., increases of 268.9 per cent and 232.6 per cent, respectively, compared with 1945. During this same three-year period the Union's national output of goods and services, as measured by its national income, increased by only 23.9 per cent, i.e., from £646.9 million to £801.2 million. It follows naturally that an economic system like that of the Union, which even in normal times has an unfavourable balance of payments on current account, was not in a position to cater for the unprecedented increase in the demand for consumers' and capital goods, and imports accordingly reached record levels.* The only way in which the gap between the economy's own resources and its abnormal requirements in the immediate post-war years could be met was, of course, through capital imports and the realisation of gold and exchange reserves which had been built up during the war. This gap amounted to £72.0 million, £188.0 million, and £185.5 million, respectively, in the years 1946-48.

Consumers' expenditures were so big in 1947 and 1948 that private savings became negative in these years. Between 1946 and 1947, for example, consumers' expenditure rose from £532.3 million to £694.9 million, an increase of £162.6 million. During the same period total private income (before tax) increased by only £48.7 million, i.e., from £674.9 million to £723.6 million. As direct taxes amounting to £64.5 million were an additional levy on the consumers' budget, over and above expenditure on consumers' goods, private expenditure exceeded private income in 1947. This dissaving by the private sector was repeated in 1948. The funds needed to finance this shortfall in private income as against expenditure were provided by drawing upon the ample liquid assets built up during the war period, when personal savings reached high levels, and by the realisation of assets such as real estate and securities at a time when there were plentiful foreign funds on the lookout for investment opportunities. The capital consumption indulged in by the private sector did not result in a cessation of net investment, as would have been the case if the private sector had been the only source of loanable funds. On the contrary, as pointed above, the Union was adding to its domestic capital assets at a record rate during this period. The effect of the negative private savings was offset, to a limited extent, by the positive savings of public authorities, although this latter amount was not big enough to turn total domestic savings into a positive amount in 1947. By far the greatest part of the task of offsetting the negative private savings fell to overseas investors and to the

* As an illustration of the increase in the amount spent on durable consumers' goods since 1945, the case of passenger motor cars may be mentioned. The number of new cars registered was 261 in 1945, 15,050 in 1946, 44,420 in 1947 and 61,052 in 1948.

realisation of the Union's gold and exchange reserves. This meant that while the Union was engaged upon a huge programme of domestic capital expenditure, it was at the same time disinvesting abroad.

It should be emphasised that private savings, as here defined, include two elements, namely personal and business savings. Business savings take the form of undistributed profits put to reserve or carried forward. Throughout this period about 22 per cent of total business profits was retained in this way, but personal dissaving was so pronounced that it outweighed the positive business savings. These two concepts are not quite independent of each other, however, and if more of the over-all business profits had been distributed as dividends, some of the additional personal income might perhaps have been saved, so that the smaller business savings would have been offset to a certain extent by somewhat higher personal savings.

Actually the private savings figures given in Table XXXI for the period 1946-48 should have registered still lower values on account of the fact that the direct tax payments deducted from private income understated the true direct tax liabilities for these years. As a large number of arrear cases had not yet been assessed in respect of the fiscal years in which the incomes were earned, the savings figures included an amount which should be regarded as reserves for the settlement of outstanding tax liabilities, and not as genuine savings. One example of this understatement of tax liabilities may be given. In the case of the fiscal year 1946-47 the total income tax (normal and super) assessed to individuals was £18.6 million, whereas the total income tax liability of individuals for the income tax year 1946-47 was stated to be £34.4 million in the 1949 report of the Inland Revenue Department. Although the fiscal and income tax years do not coincide, the year-ends being March and June, respectively, a comparison of the two sets of figures shows an understatement of the actual 1947 tax liabilities. The same observations apply to corporate direct taxes, and to provincial direct taxes which are assessed on the same form as the one used by the Union Government's assessors. Lately the collection of arrear taxation has been speeded up, so that private savings tend to be less and the surplus of public authorities to be bigger.

As was pointed out above, the expansionary phase in respect of the Union's over-all expenditure was brought to an end by the strain that it imposed on the balance of payments. Private capital from abroad, which reached a peak of £182 million in 1947, fell to £91 million in 1948, and to £50 million in 1949. Gold and exchange reserves declined from £267 million at the end of December, 1945, to £161 million (including the temporary loan of £80 million to the United Kingdom) at the end of December, 1948. As foreign disinvestment could not indefinitely be relied upon to bridge the gap between the Union's spending and its national income, import control

had to be introduced to regulate the flow of goods available for use by the Union's residents. It must also be assumed that a large part of the backlog of consumers' demand for imported goods had been met after three years of imports at record-breaking levels. The net effect on consumers' expenditure of the official policy of discrimination against imported consumers' goods can be seen clearly in Table XXXI. Expenditure on consumers' goods increased only slightly from £720.4 million in 1948 to £779.0 million and £815.1 million in 1949 and 1950, respectively. Over-all net investment declined from its 1948 peak of £203.9 million to £150.7 million and £147.7 million in 1949 and 1950, respectively. This drop was mainly due to the inventory disinvestment which followed upon import control. Investment in fixed capital equipment was maintained at the high 1948 level. (Capital equipment is granted preferential treatment in the issue of import permits). Current expenditure of public authorities continued to increase after 1948, but at a fairly moderate rate. While the further expansion of national expenditure was thus damped, or even reversed, in the case of net investment, net national income continued to rise steadily from £801.2 million in 1948 to £885.4 million and £1,030.2 million in 1949 and 1950, respectively.

The outcome of these new developments was that private income exceeded private expenditure, and that private savings amounted to no less than £101.3 million in 1950. The decline of £101.5 million in the net overseas borrowing and realisation of foreign assets that occurred between 1949 and 1950 was offset by this increase in private savings, and it was for this reason that total net investment in fixed capital equipment could be maintained at practically the same figure as in 1948, in spite of the shortness of foreign funds.

Throughout the whole of the period 1946-50 public savings played a not inconsiderable part in the financing of the investment programme of this country. It rose from £11.6 million in 1946 to a peak of £25.4 million in 1947, and was not far below this level in 1950.

CONCLUDING REMARKS

It must be remembered that the figures given in Table XXXI are valued at current prices, which implies that the effects of the post-war inflation have not been removed from the data. Gross national product at market value increased from £772.0 million in 1946 to £1,140.7 million in 1950, an increase of 47.8 per cent. During the same period the Union's retail and wholesale price indexes rose by 18.8 per cent and 26.5 per cent, respectively.

In the discussion of income and expenditure trends it was found to be useful to make a distinction between the operations of the private and public sectors of the economy. The importance of these two sectors in the country's economic life can be inferred from their relative share in the value of all goods and services bought in the Union for consumption and investment purposes. The calculations

show that during the period under discussion public authorities accounted for approximately one-fifth of all expenditures. There was a temporary drop in the public sector's share in 1947, on account of the absolute decline in its current expenditure. Since that year, however, the expansion in public expenditure has been in line with that of the private sector, so that the relative proportion of public outlay to the Union's total expenditure was restored at about 20 per cent in 1949.

An important feature of the Union's national accounts during the period under review is the high level of over-all net capital formation in relation to net national income at market value. This percentage

was 21.3 per cent in 1946; in 1948 it amounted to 23.5 per cent, falling to 13.6 per cent in 1950. These high percentages indicate how intense the Union's post-war investment boom has been.

In conclusion it is important to stress the marked changes in the role of overseas borrowing in this particular phase of the development of the Union as a young and expanding economy. In 1947 the relation on a percentage basis between the net capital inflow and the Union's total expenditure was 22.7 per cent. In 1950 this percentage had dropped to 7.1 per cent.

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