

REVIEW OF ECONOMIC CONDITIONS IN THE UNION IN 1955

Following the high rate of expansion of economic activity during 1954, the Union, as in the case of several other countries, notably the United Kingdom, found it necessary in 1955 to adopt a policy aimed at the countering of inflationary tendencies which were reappearing in its economy. Faced by increasing and higher rates of interest abroad, particularly in the United Kingdom, and a sharp decline in the net inflow of foreign capital as against a growing import bill, as well as by an acute labour shortage and a gradually increasing cost-price structure, the Union, in order to meet the position, resorted to several monetary and fiscal measures. Thus, a relatively high level of taxation was maintained with a view to making a further large contribution out of revenue to the Loan Account, while interest rates were increased in several stages, and, by the middle of the year, the commercial banks were requested to restrict credit for consumption and fixed capital purposes. Later in the year, steps were taken towards the control of hire-purchase transactions in the motor industry, which, however, only became effective in 1956.

While the measures taken were by no means drastic, they nevertheless, in conjunction with the comparatively small net inflow of foreign capital, had an effect on the Union's economic development. This development in the various sectors of the country's economy in 1955 forms the subject of the discussions which follow.

NATIONAL ACCOUNTS

The latest estimates by the Bureau of Census and Statistics show that the Union's total geographical income increased from £1,546 million in 1953/54 to £1,633 million in 1954/55, while its net national income, i.e., after deduction of the income accruing to non-Union factors of production, increased from £1,391 million to about £1,457 million, respectively. The increase of about £87 million in the geographical income was the result of increases under several of the main heads of income, notably the increases of £21 million under "Mining", £17 million under "Transportation", £15 million under "Trade and Commerce", and £10 million under "Private Manufacturing". On the other hand, a decline of about £13 million was registered under "Agriculture, Forestry and Fishing".

The increase of about 5 per cent. in the *monetary* national income from 1953/54 to 1954/55, compared with about 8 per cent. from 1952/53 to 1953/54, was higher than the increase in retail and wholesale prices, so that it would appear that there was also an increase in *real* national income during this period.

While the figures quoted above refer to the years ending 30th June, it would appear from such information as is available at present, that also on a calendar year basis, the net national income as well as the gross national product increased to a new high level in 1955. Furthermore, very provisional estimates indicate that, as far as the expenditure side of the national accounts picture is concerned, there was a further increase in consumption in 1955, as well as in gross domestic capital formation, although the rate of increase from 1954 to 1955 was substantially lower than from 1953 to 1954. Since the Union's net current deficit with the outside world showed only a small change from 1954 to 1955, it would also appear, therefore, that gross domestic saving increased further in 1955.

PRODUCTION AND EMPLOYMENT

Agriculture:

According to the latest preliminary estimates by the Division of Economics and Markets, the gross value of agricultural production, which had increased from about £322 million in 1952/53 to about £345 million in 1953/54, declined to approximately £335 million in 1954/55.

The decline of about £10 million from 1953/54 to 1954/55, was largely accounted for by declines in the value of output of maize and wool. While in the case of maize both the value and quantity produced declined, namely, from £60 million to £54 million, and from 39.0 million to 36.4 million bags, respectively, the decline from £60 million to £55 million in the case of wool was accounted for by a decline in wool prices, since the quantity produced actually increased from 251.2 million to 273.4 million lbs. Judging by these figures as well as by the fact that during this period the average monthly combined price index of agricultural products declined by about 8 per cent., as against the decline of about 3 per cent. in the gross value of output, it would appear that there was a substantial increase in the physical volume of agricultural production from 1953/54 to 1954/55.

It should be noted that the figures quoted above refer to the years ending 30th June, and not to the calendar years 1954 and 1955, for which the information is not available.

Mining:

Preliminary figures show that the Union's total mineral output, excluding quarry products but including the exports of uranium,* rose to the new

* Production figures of uranium are not available.

high level of about £283 million in 1955, compared with about £244 million in 1954 and £215 million in 1953. Of the increase of about £39 million from 1954 to 1955, no less than about £18 million was accounted for by gold and about £15 million by uranium.

Gold production in the Orange Free State increased from 1,096,000 fine ounces in 1954 to about 2,141,000 fine ounces in 1955, while that in the rest of the Union increased from 12,141,000 to 12,460,000 fine ounces. The Union's total gold output, therefore, increased from 13,237,000 fine ounces in 1954 to 14,601,000 fine ounces in 1955, and since the average official price realised for gold increased from about 248s. 9½d. to about 250s. 3¼d., the value of output increased from £164.7 million to £182.7 million.

Coal sales increased from 31,302,000 tons in 1954 to the new high level of 32,643,000 tons in 1955, or in terms of value, from £16.3 million to £16.9 million, while the value of copper sales rose from £9.8 million to £12.4 million, although the amount sold declined from 49,100 to 47,800 tons. The sales of all other base minerals combined increased from £17.6 million to £20.2 million, those of precious metals (excluding gold and uranium) from £7.3 million to £7.7 million, while those of diamonds declined from £13.2 million to £13.1 million, or from 2,891,000 to 2,633,000 metric carats.

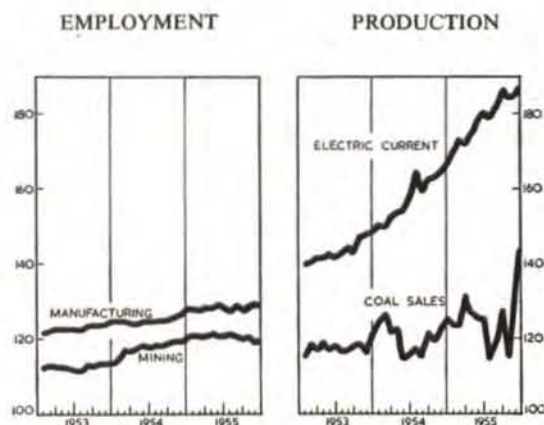
As far as the physical volume of mineral production is concerned, preliminary estimates indicate that the output of precious metals, mainly gold and uranium, increased by about 19 per cent, that of base metals by about 5 per cent and that of non-metalliferous base minerals by about 14 per cent. On the other hand, the output of diamonds declined by about 10 per cent, so that the total physical volume of mineral production increased by about 16 per cent.

Mining employment showed a further improvement in 1955. The average monthly index* of employment in the gold mining industry, which had increased from 105 in 1953 to 113 in 1954, rose further to 117 in 1955, while the index of total mining employment, after rising from 112 in 1953 to 118 in 1954, increased to 120 in 1955. As will be seen from the chart below, however, the monthly indexes were relatively constant during the first half of 1955, while the trend was slightly downward during the second half of the year, compared with an upward movement throughout 1954.

Manufacturing:

Manufacturing employment showed a further increase in 1955, the index rising to about 128, compared with 125 in 1954 and 123 in 1953. However, as will be seen from the chart below, the monthly indexes were relatively constant throughout

1955, compared with an upward movement during 1954.



Volume indexes (1948 = 100) — Seasonally adjusted.

As far as the output of manufacturing industries is concerned, there is no comprehensive up-to-date information available, but judging from the increase in employment, as well as the increase in Union wholesale prices, it would appear that there was a further substantial increase in the value of manufacturing output in 1955.

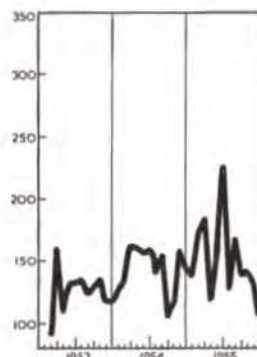
Electricity:

The chart above shows that the index of electric current generated continued to increase during 1955 at approximately the same rate as during 1954. The average monthly index, which had increased from 143 in 1953 to 158 in 1954, rose to the new high level of 179 in 1955.

Building:

The index of the value of building plans passed in the eighteen principal cities in the Union increased to 150.7 in 1955, compared with 142.3 in 1954 and 124.1 in 1953, while that of the value of buildings commenced also increased, namely, to 167.5 in 1955, compared with 154.6 in 1954 and 142.3 in 1953. As will be seen from the chart below, however, the monthly values of building plans passed fluctuated heavily during 1955, showing a sharp downward tendency during the second half of the year. Similar movements were revealed by the monthly indexes of buildings commenced and building employment, so that it would appear that building activity was on the decline during the second half of 1955.

* Unless otherwise stated, all indexes quoted in this review refer to the base 1948 = 100.

BUILDING
PLANS PASSEDFOREIGN
TRADE

Value indexes (1948=100) — Seasonally adjusted.

FOREIGN TRADE*

Both the Union's imports and exports reached new high levels in 1955.

As a result of a substantial relaxation of import control, the Union's imports increased to about £485 million in 1955, compared with about £437 million in 1954 and £423 million in 1953. While the by-area import figures for the year 1955 are not yet available, it would appear from those available for the first ten months of the year that imports from the dollar area showed the biggest increase in 1955, although increases were also registered in imports from the sterling area and from other non-sterling countries.

As will be seen from the chart above, imports, excluding seasonal changes, fluctuated heavily during 1955, revealing, however, a slight upward tendency compared with a downward movement in 1954.

As against the increase of about £48 million in imports in 1955, the exports of merchandise, excluding gold and ships' stores, increased by about £37 million, namely, from about £323 million in 1954 to about £360 million in 1955. Of this increase, approximately £15 million was accounted for by uranium, £5 million by diamonds, £4 million by lead ore, £2 million by fruit and £2 million by maize. On the other hand, wool exports showed a decline of about £3 million.

Considered on a monthly basis, and excluding seasonal changes, it will be seen from the chart above that merchandise exports showed an even stronger upward movement in 1955 than in 1953 and 1954.

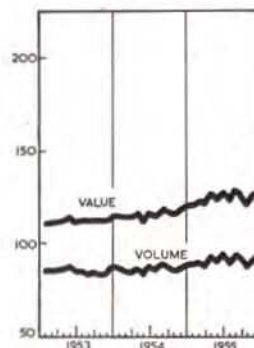
* Because of adjustments made for balance of payments purposes, the import and export figures quoted here differ somewhat from those published by the Department of Customs and Excise.

INTERNAL TRADE

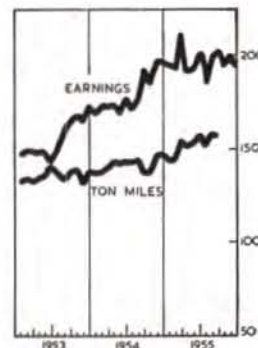
Judging from the available indexes for Johannesburg, Pretoria, Cape Town, East London and Durban, it would appear that both the value and physical volume of retail sales was higher in 1955 than in 1954. This will be seen from the chart below on which the combined indexes for these five areas are shown. In the case of the value turnover, it would appear that the upward movement during the second half of 1954 was continued during the first half of 1955, but that during the second half of 1955 the monthly indexes fluctuated on a relatively constant level. In the case of the physical volume turnover, it would appear that the further upward movement during the first half of 1955 was followed by a slight declining tendency during the second half of the year.

It should, however, be borne in mind that the above combined indexes are based on restricted samples relating only to the five areas mentioned.

RETAIL SALES



S.A. RAILWAYS



Indexes (1948=100) — Seasonally adjusted.

RAILWAY TRANSPORTATION

Railway earnings showed a further substantial increase in 1955, the average monthly index rising to about 197, compared with 179 in 1954 and 155 in 1953. From the chart above it will be seen, however, that, following the sharp upward movement during the second half of 1954, the monthly indexes fluctuated heavily during 1955, revealing no distinct upward or downward tendency.

In the case of the index of total ton miles of revenue earning traffic, the figures are not yet available for the last quarter of the year, but, as will be seen from the chart above, the average monthly index was higher in 1955 than in 1954, while it would also appear that the upward movement during 1954 was continued during 1955.

INTEREST RATES

The interest rate structure of the Union showed a substantial increase during 1955, especially during the second half of the year, and this upward movement was continued during the early months of 1956.

Following the increases in the Bank of England rate from 3 to $3\frac{1}{2}$ per cent. on January 27, 1955, and to $4\frac{1}{2}$ per cent. on February 24, 1955, the Union decided, in view, *inter alia*, of the relatively sound and strong internal financial position, not to increase the local Bank Rate which had been left unchanged at 4 per cent. since March, 1952. On the 2nd March, 1955, however, the rates for Treasury bills and call deposits with the National Finance Corporation were increased by $\frac{1}{2}$ per cent. in view of the higher corresponding rates prevailing in the London money market and in order to avoid a possible substantial outflow of funds to London. Thus, the rate on three-months Treasury bills increased from $1\frac{1}{16}$ to $2\frac{1}{16}$ per cent., that on six-months bills from 2 to $2\frac{1}{2}$ per cent., and that on twelve-months bills from $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent., while the rate on call deposits with the N.F.C. increased from $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent. In addition, the Reserve Bank increased its pattern of rates for open-market operations in Government stocks with maturities of up to 4 years, while, on the 4th March, 1955, the commercial banks increased their fixed deposit rates by $\frac{1}{2}$ per cent. in the case of three- and six-months deposits, and by 1 per cent. in the case of twelve-months deposits.

On the 18th May, 1955, the pattern of rates for Government stocks with maturities of up to 2 years was further increased and, on the 1st June, this was followed by an increase of $\frac{1}{2}$ per cent. in the three- and six-months Treasury bill rates and in the commercial banks' rate for three-months fixed deposits.

With money rates continuing to show an upward movement in the United Kingdom and a number of other foreign countries during the third quarter of 1955, the Union Government decided on the 29th September, to increase the rates for three- and six-months Treasury bills by a further $\frac{1}{2}$ per cent., namely, to 3 and $3\frac{1}{2}$ per cent., respectively, while the N.F.C. also increased its rate on call deposits from $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent. On the same date the South African Reserve Bank increased the Bank rate from 4 to $4\frac{1}{2}$ per cent., and "after having refrained from open-market operations in Government stocks for some time in order to test the market and let it find its own level, decided to re-enter the market with a view to ensuring an orderly upward adjustment of gilt-edged rates". Thus, its pattern of rates for Government stocks with maturities of up to 5 years was increased by $\frac{1}{2}$ per cent., that for stocks with maturities of between 5 and 9 years by $\frac{1}{2}$ per cent., and that for stocks with maturities of over 9 years by $\frac{1}{2}$ per cent. On the 18th November, 1955, the rates for all stocks with maturities of over 5 years were further increased by $\frac{1}{2}$ per cent.

Consequent upon the increase in the Bank rate on the 29th September, the commercial banks followed suit on the 1st October, by increasing their minimum overdraft rate from $5\frac{1}{2}$ per cent. to 6 per cent., their three-months fixed deposit rate from $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent. and their six-months fixed deposit

rate from $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent., while in the case of twelve-months fixed deposits, their rate of 4 per cent. was made applicable to deposits up to £50,000 instead of £25,000 as before, and $3\frac{1}{2}$ per cent. was quoted for amounts after £50,000. This limit of £50,000 was, however, further increased to £100,000 on the 22nd December, 1955.

As a result of these increases, the Building Societies* decided to increase, as from the 1st January, 1956, their fixed deposit rates from 4 to $4\frac{1}{2}$ per cent. in the case of 12 to 17 months deposits, and from $4\frac{1}{2}$ to 5 per cent. in the case of deposits of 18 months and over, while the rates on their shares were also increased by $\frac{1}{2}$ per cent. A month later, on the 1st February, 1956, the commercial banks increased their twelve-months fixed deposit rate to $4\frac{1}{2}$ per cent. for amounts up to £100,000 and $3\frac{1}{2}$ per cent. for amounts thereafter, and on the 17th February, 1956, this was followed by a further increase of $\frac{1}{2}$ per cent. in the rates on three- and six-months Treasury bills and on call deposits with the N.F.C. On the same date, a further upward adjustment was made in the Reserve Bank's pattern of rates for Government stocks, and on the 22nd February, 1956, the commercial banks also increased their rates on three- and six-months fixed deposits by a further $\frac{1}{2}$ per cent.

In summary, therefore, the rate on three-months Treasury bills, for example, rose from $1\frac{1}{16}$ per cent. at the end of 1954, to $3\frac{1}{2}$ per cent. by the end of February, 1956, that on six-months Treasury bills from 2 to $3\frac{1}{2}$ per cent., and that on call deposits with the N.F.C. from $1\frac{1}{2}$ to $3\frac{1}{2}$ per cent. During the same period, the Reserve Bank's pattern of rates for Government stocks increased from $3\frac{1}{2}$ to 4 per cent. for 4-5 years stock, from 4 to $4\frac{1}{2}$ per cent. for 9-11 years stock, and from $4\frac{1}{2}$ to $4\frac{3}{4}$ per cent. for stocks with maturities of over 15 years.

Finally, to complete the picture, mention should be made of the increase in the rate paid on savings deposits with the building societies and the commercial banks from 3 to $3\frac{1}{2}$ per cent. on the 1st March, 1956.

BALANCE OF PAYMENTS

Although import control was substantially relaxed, the Union's net current deficit with the outside world declined slightly in 1955 compared with 1954, due, firstly, to the strong increase in merchandise exports, and, secondly, to the increased gold production. On the other hand, the net inflow of capital from abroad was substantially lower in 1955, so that the country's gold and foreign exchange reserves showed an appreciable decline, compared with a sharp increase during 1954.

As indicated under the heading "Foreign Trade" above, imports increased from £437 million in 1954

* Building Societies do not all quote the same rates, and only the predominant rates are referred to here.

to about £485 million in 1955, and exports (excluding gold and ships' stores) from £323 million to about £360 million, so that the country's trade deficit increased by about £11 million, namely, from £114 million to £125 million. In addition, it is estimated that the Union's net invisible payments increased by about £5 million, but, since the net gold output showed an increase of about £18 million, the net current deficit with the outside world actually declined by about £2 million, namely, from £30 million in 1954 to about £28 million in 1955.

During 1955, the Reserve Bank's gold and foreign exchange reserves declined from £147.8 million to £129.0 million, i.e. by about £19 million, while the foreign exchange holdings of the commercial banks and the Union Government also declined by about £1 million. Comparing this total decline of about £20 million in the reserves with the net current deficit of about £28 million, it would appear that the total net inflow of capital from abroad amounted to about £8 million in 1955. In this regard, it is known that net capital receipts in the form of official loans amounted to about £13 million, since the Union received about £5 million in the form of a Dutch loan, raised a dollar loan of about £9 million in the U.S.A., and drew about £1 million net on the I.B.R.D. loans, but, on the other hand, repaid about £2 million of the dollar loan of about £4 million received from a group of American banks in 1951. Thus, taking account also of the fact that the banks' short-term foreign liabilities declined by about £2 million, it would appear that the Union experienced a net outflow of private capital, including trade credits, of about £3 million in 1955.

In regard to the last-mentioned, it is known, however, that net receipts in the form of uranium and other identified private loans amounted to about £14 million, so that it would appear that there was a net outflow of unidentified private capital of about £17 million, which consisted almost entirely of sterling and which took place mainly during the second and fourth quarters of the year. Information on the question to what extent this net outflow of private capital consisted of trade credits extended to overseas buyers or of export proceeds withheld abroad, as against the actual transfer or withdrawal of funds from the Union, is, unfortunately, not available. The higher level of interest rates in London no doubt attracted Union funds to that market, but, judging from the decline in local stock exchange prices, it would appear that the major part of the net outflow was accounted for by the sale of South African gold mining shares by United Kingdom residents.

MONEY IN CIRCULATION

While the average monthly amount of money in circulation in the Union rose to about £447 million in 1955, compared with £437 million in 1954 and £430 million in 1953, there was actually a substantial

decline during the year 1955. After increasing from £444 million at the end of 1953 to £471 million at the end of 1954, the amount in circulation declined to about £449 million at the end of 1955.

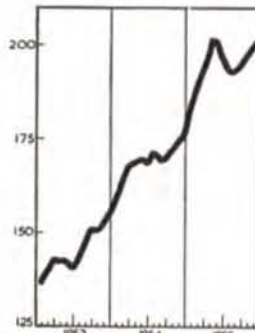
The decline of about £22 million during 1955, which consisted of declines of £15 million and £7 million in the amounts held by the private sector and the Government, respectively, took place in spite of an increase of about £46 million in bank credit, and was principally the result of two factors, namely, a further shift of about £44 million from demand to time deposits with the commercial banks, and the decline of about £20 million in the country's gold and foreign exchange reserves.

In regard to the increase of £46 million in bank credit during the year, Reserve Bank credit increased by about £17 million and commercial bank credit by about £29 million. The increase in Reserve Bank credit consisted largely of Treasury bills discounted for the National Finance Corporation and the commercial banks, while the increase in commercial bank credit was the net result of increases, on the one hand, of £34 million in the banks' discounts and advances and £5 million in their balances with the National Finance Corporation, and a decrease, on the other hand, of about £10 million in their investments.

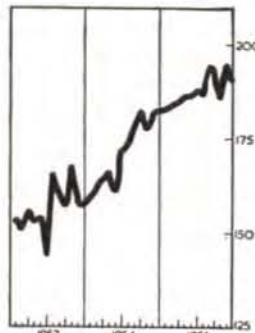
As far as the increase in the commercial banks' discounts and advances is concerned, it will be seen from the chart below, that, excluding seasonal movements, the increase took place mainly during the first four months of the year, whereafter there were slight declines in May and June. During the third quarter of the year, after the Reserve Bank had requested the commercial banks "to avoid any further net increase in their total advances and discounts, and, in particular to restrict their commitments for the financing of hire-purchase or other consumer credit and also for the provision of fixed capital for productive or distributive purposes", there was a further decline, and while this was followed by an increase in the fourth quarter, the level at the end of December showed no net increase over the high point reached in April.

Turning to interest-bearing deposits, which are not included in the money supply but are akin to money, it is found that, apart from the above-mentioned increase of about £44 million in fixed and savings deposits with the commercial banks during 1955, deposits with Permanent Building Societies increased by about £15 million, while the share capital of these Societies increased by about £23 million. On the other hand, deposits with the National Finance Corporation (excluding those of banks) declined by about £20 million.

COMMERCIAL BANKS DISCOUNTS AND ADVANCES



BANK DEBITS



Value indexes (1948 = 100) — Seasonally adjusted.

BANK DEBITS

The index of bank debits, which excludes debits to Government accounts with the banks, increased to 188 in 1955, compared with 172 in 1954 and 156 in 1953. From the chart above it will be seen that, excluding seasonal changes, the tendency in the monthly indexes was still upward in 1955, but that the rate of increase was considerably lower than during 1954. From December, 1954, to December, 1955, the increase only equalled that in wholesale prices.

The further increase in bank debits in 1955 caused the index of the velocity of circulation of the money supply in private hands to increase to 210, compared with 187 in 1954 and 171 in 1953.

COMMODITY PRICES

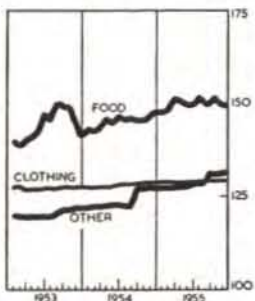
Further increases were registered in the average monthly indexes of total wholesale and retail prices in 1955.

The average monthly index of wholesale prices for all goods, which had risen from 149.3 in 1953 to 150.4 in 1954, increased to 155.2 in 1955, i.e. by 3.2 per cent., reflecting increases of 4.9 per cent. in the index of Union goods and 1.1 per cent. in that of imported goods. As will be seen from the chart below, the index for Union goods increased sub-

WHOLESALE PRICES



RETAIL PRICES



Indexes (1948 = 100)

stantially during the first nine months of 1955, but then remained constant during the rest of the year, while the index for imported goods remained relatively stable throughout 1955.

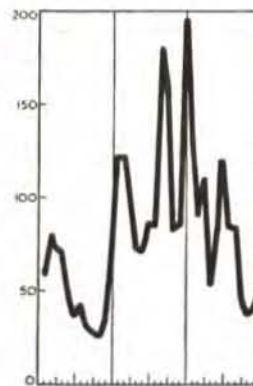
In the case of retail prices, the average monthly index increased to 136.7 in 1955, compared with 132.5 in 1954 and 130.2 in 1953. From December, 1954 to December, 1955, the increase amounted to 1.9 per cent., and, as will be seen from the chart above, this was largely the result of further increases in the indexes of food and "other" items, the index of clothing having remained relatively stable. The increase in the index of "other" items, in turn, was principally accounted for by an increase in rent. It should be noted, however, that, as in the case of wholesale prices, the increase in the index of total retail prices was mainly confined to the first three quarters of the year. Slight declines were actually registered in November and December, as well as in January, 1956.

STOCK EXCHANGE TRANSACTIONS

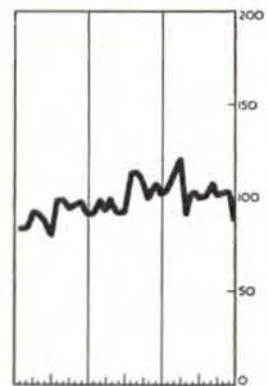
Following the strong revival of stock exchange activity during 1954, there was a substantial decline during 1955, which was mainly confined to gold mining shares. While, on an average monthly basis, the price index of industrial shares showed little change from 1954 to 1955, that of the shares of producing gold mines declined from 80 to 74, and that of the shares of developing gold mines from 172 to 167.

As far as turnover is concerned, the index based on the total value of transactions in marketable securities by Johannesburg stockbrokers, declined from 113.1 in 1954 to 74.5 in 1955, compared with 48.4 in 1953, and from the chart below it will be seen that the tendency was sharply downward during 1955.

STOCK EXCHANGE TURNOVER



REAL ESTATE TRANSACTIONS



Value indexes (1948 = 100) — Seasonally adjusted.

REAL ESTATE TRANSACTIONS

The average monthly index of the value of property transactions increased to 103 in 1955, compared with 101 in 1954 and 92 in 1953. The chart

above shows, however, that the monthly indexes fluctuated on an approximately constant level during 1955, compared with a slight upward movement during 1953 and 1954.

CONCLUSION

As far as permitted by the available data on the various sectors of the Union's economy, a distinction has been drawn above between the global or average position in 1955 compared with that in the foregoing years, on the one hand, and the trend of developments during the year 1955 compared with that during the foregoing years, on the other. Particularly in view of the findings, it is important that this distinction be retained in the summary of conclusions which follows.

Taken on an annual or average monthly basis, it was found above that nearly all of the *value* indexes reviewed, namely, gross national product, gross domestic capital formation, mineral output, building plans passed, merchandise imports and exports, railway earnings, discounts and advances of the commercial banks, bank debits, property transactions, and as far as can be judged from the available information, also manufacturing output and retail sales, rose to new high levels in 1955. Only stock exchange turnover and the value of agricultural production showed declines in 1955 compared with 1954. Thus it is clear that, taken on an annual basis, the *monetary* volume of economic activity in the Union reached a new high level in 1955. The further increase in 1955 was partly due to a further increase in the price level, but from the available information it would appear that also the *physical* volume of economic activity was higher in 1955 than in 1954.

To get a clearer picture of the position reached in 1955, consideration may be given to the charts on page xiii, which give a bird's-eye view, also on an annual basis, of some of the main aspects of the Union's economic development during the past seven years, i.e. the period during which import control has been in operation. Since the developments during these years have been reviewed from time to time, some brief remarks will suffice.

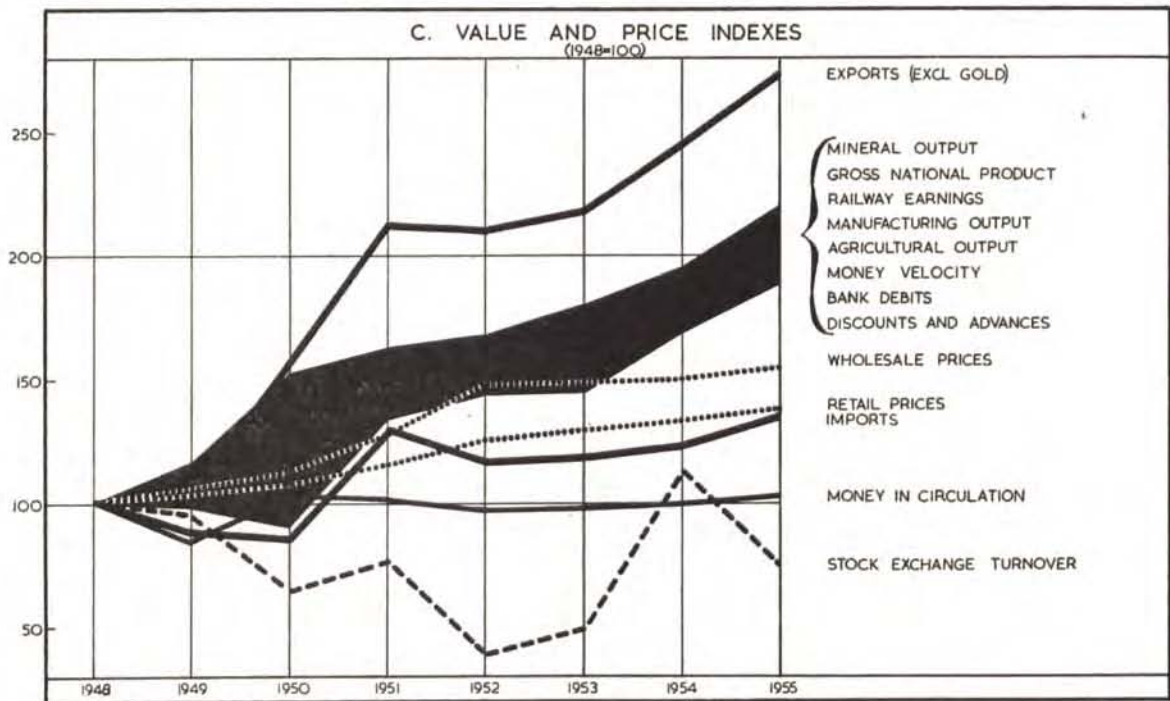
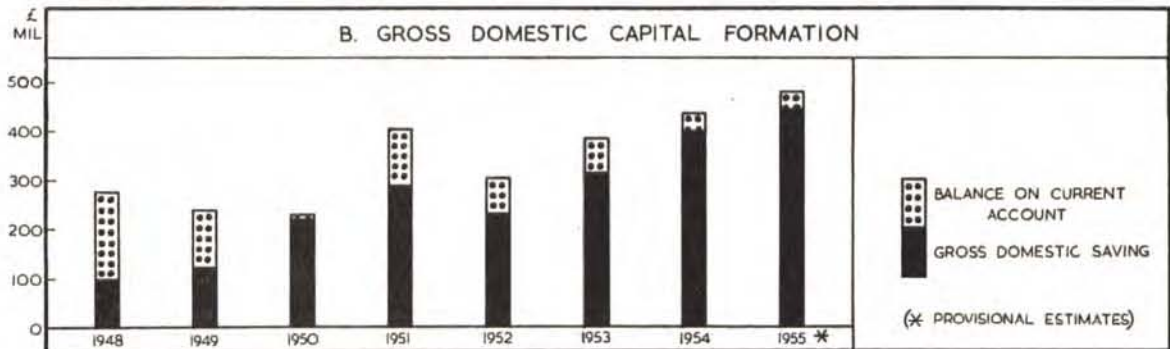
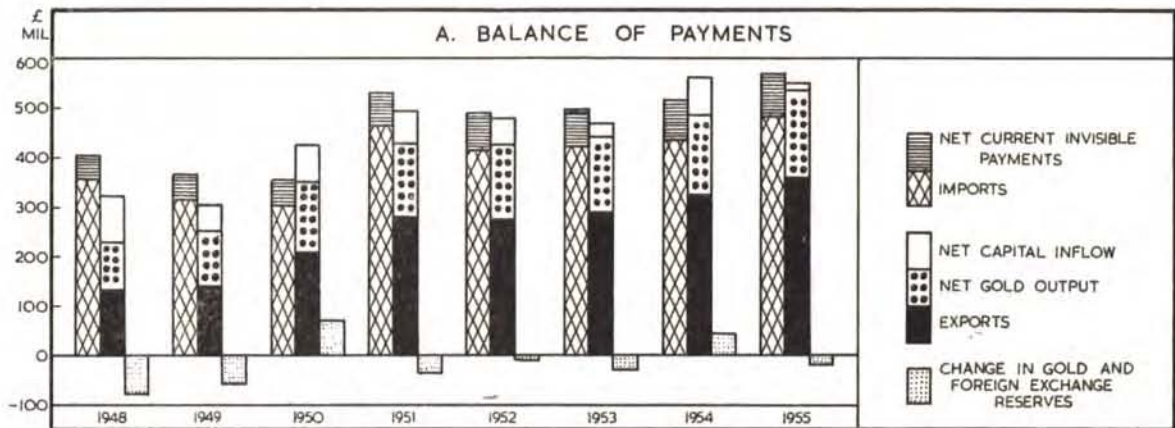
The Union's balance of payments picture is presented in Chart A, which shows for each year (1) to what extent imports plus net current invisible payments have been met by exports plus net gold production plus net foreign capital receipts, and (2) the resulting change in the Union's gold and foreign exchange reserves. On the whole it would appear from this chart that import control was fairly successfully applied during the period covered in so far as the changes in the Union's gold and foreign exchange reserves were relatively small. Net receipts of foreign capital fluctuated on a relatively low level during these years, but, on the other hand, increasing exports and gold production allowed for a substantial reduction in the net current

deficit and, at the same time, for relaxation of import control.

The decline in the Union's net current deficit with the outside world can be seen more clearly from Chart B, which shows the increase in gross domestic capital formation during this period and the funds available for the financing thereof, namely, (1) net receipts of foreign capital and realisation of gold and foreign exchange reserves (i.e. the net current deficit) and (2) gross domestic saving. The sharp increase in domestic saving, which was partly due to the effect of import control on the disposition of personal income, made the country less dependent upon foreign funds for the financing of domestic capital formation during this period.

Associated with the increase in domestic capital formation, was the general expansion of economic activity in the Union during this period. This is reflected in Chart C which, briefly, indicates the following:

- (1) During the seven years of import control when imports increased by only about 37 per cent., a number of the more important *value* indexes, namely, gross national product, mineral production, agricultural production, bank debits, railway earnings, money velocity, discounts and advances of the commercial banks, and, as far as can be judged from the available data, also manufacturing output, fluctuated between the relatively narrow limits indicated by the heavy black band, and increased by between 88 and 120 per cent.
- (2) As a result of the increased productive activity, and aided by the devaluation of the South African pound in 1949 as well as by the higher price of wool since 1950, the value of exports (excluding gold but including uranium) increased by no less than 173 per cent. during this period.
- (3) Increased commercial bank credit, in the form of discounts and advances, the trend of which is approximately indicated by the lower limits of the heavy black band, played an important part in the financing of the increased productive and trading activity.
- (4) In spite of the increase in bank credit, the average monthly amount of money in circulation remained relatively constant as a result of the unfavourable balances of payments and the shift from demand to time deposits with the commercial banks. With interest rates on the upgrade, this shift amounted to no less than £96 million during the seven years covered.
- (5) While the amount of money in circulation remained relatively constant, its velocity of circulation was more than doubled. In other words, by 1955, the same amount of money was doing about twice the work it did in 1948.



- (6) Stock exchange activity tended to fluctuate below the 1948 level during this period, reflecting the relative scarcity of risk capital and the increasing production costs in the gold mining industry.

On the whole, therefore, it would appear that in spite of import control, the relatively low level of net capital inflow, the labour shortage and the anti-inflationary monetary measures taken from time to time, the Union's economic activity, in *value* terms, approximately doubled itself within the seven years covered, which means that the average annual rate of increase amounted to over 10 per cent. Unfortunately, sufficient statistics to determine the increase during this period in *real* terms are not available, but judging by the increases in wholesale and retail prices, a very rough estimate would be that the *physical* volume of economic activity increased by between 30 and 40 per cent., or at an average annual rate of between 4 and 5 per cent., which is very high and well in excess of the average annual rate of increase of about 2 per cent. in the Union's total population or about 1.9 per cent. in its European population during this period.

Turning to the trend of developments on a monthly basis during the year 1955, a somewhat different picture is revealed. While on an annual basis most of the value indexes rose to new high levels in 1955, it was found in several instances that the monthly figures indicated a considerably slower rate of increase either throughout 1955 or during the second half of 1955, compared with that during 1954, while in the case of building activity the tendency was downward during the second half of 1955.

It would appear, therefore, that the rate of increase in the Union's economic activity, in *value* terms, was substantially slowed down during 1955, and that, considering the further upward movement of prices which, however, remained stable during the last quarter of the year, the *physical* volume of activity showed only a slight upward tendency, if it did not remain relatively stable. To what extent this slowing down of activity during 1955 was inevitable, following the exceptionally high rate of expansion during recent years, and to what extent it was the

result of the net outflow of private capital as against the anti-inflationary steps taken in the form of credit restriction and the raising of interest rates, is difficult to determine. It would appear, however, that the increased interest rate structure, in so far as it was effective, had more of an influence on the Union's internal economy than on the movement of foreign capital, since during the last quarter of the year, after interest rates had been increased, the Union continued to experience a net outflow of private capital.

Under the circumstances, and in the light of the existing tight money conditions, the Union Government decided in February, 1956, when the Bank of England rate was increased by a further one per cent., not to increase the local Bank rate, as it was felt that a further increase might have an adverse effect on the Union's economy. Instead, the Government decided to control the transfer of Union-resident capital funds to the Sterling Area, and in this connection particularly emphasised that these control measures apply only to the export of capital owned by Union residents and that no departure is involved from the traditional policy of allowing the repatriation to its point of origin of capital invested in the Union by non-Union residents.

In regard to the balance of payments prospects for 1956, the level of the country's gold and foreign exchange reserves at the beginning of the year, considered in conjunction with the increasing gold and uranium production, was regarded as sufficient to allow the maintenance of imports on the same level as in 1955. Import control has, however, been retained, and any adjustment therein during the coming year will to a large extent depend on the net inflow of capital from abroad. As in the past, the movement of foreign capital, as well as developments overseas, will have an important bearing on the Union's general economic development in 1956. Internally, the backlog in railway transportation has been greatly reduced, but the continued shortage of labour remains a problem of major importance.

T. W. de Jongh,

Head: Department of Economic Research and Statistics.

OORSIG VAN EKONOMIESE TOESTANDE IN DIE UNIE IN 1955

Ná die hoë koers van uitbreiding van ekonomiese bedrywigheid gedurende 1954, het die Unie, soos in die geval van verskeie ander lande, veral die Verenigde Koninkryk, dit nodig gevind om in 1955 'n beleid te aanvaar wat gemik was op die bekamping van inflasionistiese neigings wat weereens in die ekonomie te voorskyn getree het. Weens stygende en hoër rentekoerse in die buiteland, veral in die Verenigde Koninkryk, en 'n skerp afname in die netto toevloei van buitelandse kapitaal teenoor 'n toenemende invoerrekening, sowel as 'n ernstige arbeidstekort en 'n geleidelike styging in die koste-prysstruktuur, het die Unie, ten einde die toestand die hoof te bied, verskeie monetêre en fiskale maatreëls aangewend. Sodoende is 'n relatiewe hoë peil van belasting gehandhaaf met die doel om 'n verdere groot bydrae uit inkomste tot die Leningsrekening te maak, terwyl rentekoerse trapsgewyse verhoog is, en teen die middel van die jaar is die handelsbanke versoek om krediet vir die doeleindes van verbruik en vaste kapitaal te beperk. Later in die jaar is stappe gedoen vir die beheer van huurkoop-transaksies in die motorbedryf, wat egter eers in 1956 toegepas is.

Terwyl die maatreëls wat aangewend is geensins drasties was nie, het hulle nogtans, tesame met die betreklike klein netto toevloei van buitelandse kapitaal, 'n uitwerking op die Unie se ekonomiese ontwikkeling gehad. Hierdie ontwikkeling in die verskillende sektore van die land se ekonomie in 1955 is die onderwerp van die besprekings wat volg.

NASIONALE REKENINGE

Die Buro vir Sensus en Statistiek se jongste skattings toon aan dat die Unie se totale geografiese volksinkome van £1,546 miljoen in 1953/54 tot ongeveer £1,633 miljoen in 1954/55 gestyg het, terwyl die netto volksinkome (d.w.s. ná aftrekking van inkome wat aan nie-Unie produksiefaktore toekom) van £1,391 miljoen tot omtrent £1,457 miljoen, respektiewelik, toegeneem het. Die styging van ongeveer £87 miljoen in die geografiese inkome was die gevolg van toenames onder verskeie van die meer belangrike hoofde, veral die toenames van £21 miljoen onder „Mynwese”, £17 miljoen onder „Vervoer”, £15 miljoen onder „Handel”, en £10 miljoen onder „Private Fabriekswese”. Aan die ander kant, was daar 'n afname van ongeveer £13 miljoen onder „Landbou, Bosbou en Visserye”.

Die styging van omtrent 5 persent in die volksinkome teen heersende pryse vanaf 1953/54 tot 1954/55 (vergeleke met omtrent 8 persent van 1952/53 tot 1953/54), was groter as die toename in klein- en groothandelspryse, sodat dit wil voorkom asof daar ook 'n toename in die reële volksinkome gedurende dié tydperk was.

Terwyl bogenoemde syfers op die jare geëindig 30 Junie betrekking het, dui sulke inligting as wat tans beskikbaar is daarop dat, ook op 'n kalenderjaarbasis, die netto volksinkome sowel as die bruto volksproduksie tot 'n nuwe hoogtepunt in 1955 gestyg het. Boonop toon baie voorlopige skattings aan dat wat die uitgawekant van die nasionale rekeninge betref, daar 'n verdere toename in 1955 in verbruik sowel as in bruto binnelandse kapitaalvorming was, alhoewel die koers van toename van 1954 tot 1955 heelwat laer was as dié van 1953 tot 1954. Aangesien die Unie se netto lopende tekort teenoor die buiteland slegs 'n klein verandering van 1954 tot 1955 ondergaan het, wil dit dus ook voorkom asof bruto binnelandse besparing in 1955 verder toegeneem het.

PRODUKSIE EN WERKVERSKAFFING

Landbou:

Volgens die jongste voorlopige skattings van die Afdeling Ekonomie en Marke het die brutowaarde van die landbouproduksie wat van £322 miljoen in 1952/53 tot £345 miljoen in 1953/54 toegeneem het, tot ongeveer £335 miljoen in 1954/55 gedaal.

Die afname van ongeveer £10 miljoen van 1953/54 tot 1954/55 is hoofsaaklik teweeggebring deur afnames in die waarde van die produksie van mielies en wol. Terwyl in die geval van mielies, beide die waarde en die hoeveelheid geproduseer afgeneem het, nl. van £60 miljoen tot £54 miljoen, en van 39.0 miljoen tot 36.4 miljoen sak, onderskeidelik, was die afname van £60 miljoen na £55 miljoen in die geval van wol aan 'n daling in wolpryse te wyte aangesien die hoeveelheid geproduseer in werklikheid toegeneem het van 251.2 miljoen tot 273.4 miljoen lb. Geoordeel volgens hierdie syfers asook die feit dat die gemiddelde maandelikse gekombineerde prysindeks van landbouprodukte gedurende hierdie tydperk met omtrent 8 persent afgeneem het, vergeleke met 'n daling van ongeveer 3 persent in die brutowaarde van produksie, wil dit voorkom asof daar 'n aansienlike toename in dié fisiese omvang van die landbouproduksie van 1953/54 tot 1954/55 was.

Daar moet op gelet word dat die syfers wat hierbo aangehaal is op die jare geëindig 30 Junie en nie op die kalenderjare 1954 en 1955 waarvoor inligting nie beskikbaar is nie, betrekking het.

Mynbou:

Voorlopige syfers toon aan dat die Unie se minerale produksie, met uitsluiting van steengroefprodukte maar met insluiting van uraanuitvoere,*

* P.oduksiesyfers vir uraan is nie beskikbaar nie.

tot 'n nuwe hoogtepunt van ongeveer £283 miljoen in 1955 gestyg het, vergeleke met ongeveer £244 miljoen in 1954 en £215 miljoen in 1953. Van die toename van ongeveer £39 miljoen van 1954 tot 1955, was goud en uraan vir nie minder as £18 miljoen en £15 miljoen, onderskeidelik, verantwoordelik nie.

Goudproduksie in die Oranje-Vrystaat het toegeneem van 1,096,000 fyn onse in 1954 tot ongeveer 2,141,000 fyn onse in 1955, terwyl dié in die res van die Unie toegeneem het van 12,141,000 tot 12,460,000 fyn onse. Die Unie se totale goudproduksie het derhalwe van 13,237,000 fyn onse in 1954 tot 14,601,000 fyn onse in 1955 toegeneem, en aangesien die gemiddelde offisiële prys wat vir goud ontvang is van ongeveer 248s. 9½d. tot ongeveer 250s. 3½d. gestyg het, het die waarde van produksie toegeneem van £164.7 miljoen tot £182.7 miljoen.

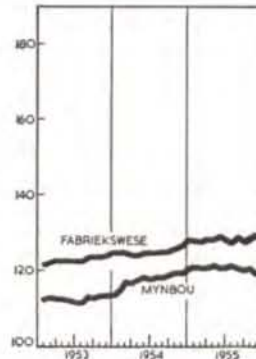
Steenkoolverkope het van 31,302,000 ton in 1954 tot die nuwe hoogtepunt van 32,643,000 ton in 1955 gestyg, of in terme van waarde, van £16.3 miljoen tot £16.9 miljoen, terwyl die waarde van koperverkope toegeneem het van £9.8 miljoen tot £12.4 miljoen, alhoewel die hoeveelheid verkoop afgeneem het van 49,100 tot 47,800 ton. Die verkope van alle ander onedele minerale tesame het van £17.6 miljoen tot £20.2 miljoen gestyg, dié van edele metale (met uitsluiting van goud en uraan) van £7.3 miljoen tot £7.7 miljoen, terwyl dié van diamante afgeneem het van £13.2 miljoen tot £13.1 miljoen, of van 2,891,000 tot 2,633,000 metriese karaat.

Wat die fisiese omvang van minerale produksie betref, dui voorlopige berekenings aan dat die produksie van edele metale, hoofsaaklik goud en uraan, met ongeveer 19 persent toegeneem het, dié van onedele metale met ongeveer 5 persent en dié van nie-metaalhoudende onedele minerale met ongeveer 14 persent. Aan die ander kant het die produksie van diamante met ongeveer 10 persent gedaal sodat die totale fisiese omvang van minerale produksie met ongeveer 16 persent gestyg het.

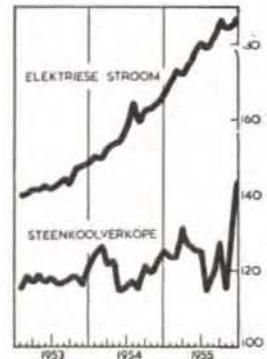
Indiensneming in die mynwyse het 'n verdere verbetering in 1955 getoon. Die gemiddelde maandelikse indeks* van werkverskaffing in die goudmynbedryf wat van 105 in 1953 tot 113 in 1954 gestyg het, het in 1955 verder tot 117 toegeneem, terwyl die indeks van totale werkverskaffing in die mynbou nadat dit van 112 in 1953 tot 118 in 1954 gestyg het, tot 120 in 1955 toegeneem het. Soos uit die onderstaande grafiek blyk, was die maandelikse indeks egter betreklik konstant gedurende die eerste helfte van 1955, terwyl die neiging gedurende die tweede helfte van die jaar effens afwaarts was, vergeleke met 'n stygende tendens gedurende 1954.

* Tensy anders aangedui, is al die indekse wat in hierdie oorsig vermeld word, op die basis 1948 = 100 gebaseer.

WERKVERSKAFFING



PRODUKSIE



Volumeindekse (1948 = 100) — Aangesuiwer vir seisoenskommelings.

Fabriekswese:

Werkverskaffing in die fabriekswese het 'n verdere toename in 1955 getoon en die indeks het tot ongeveer 128 gestyg, vergeleke met 125 in 1954 en 123 in 1953. Soos egter van die bostaande grafiek opgemerk sal word, was die maandelikse indeks betreklik konstant gedurende 1955, vergeleke met 'n opwaartse beweging gedurende 1954.

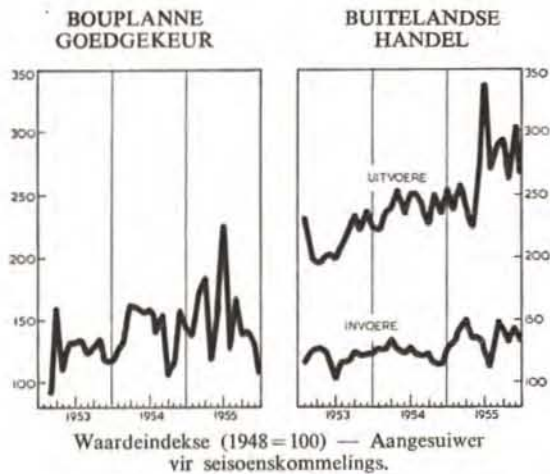
Wat fabrieksproduksie betref, is daar geen omvattende gegewens vir die jongste tyd beskikbaar nie, maar geoordeel volgens die toename in werkverskaffing sowel as die toename in die Unie se groothandelprijs, wil dit voorkom asof daar 'n verdere aansienlike styging in die waarde van fabrieksproduksie in 1955 was.

Elektrisiteit:

Bostaande grafiek toon aan dat die indeks van elektriese stroom opgewek gedurende 1955 teen ongeveer dieselfde koers as gedurende 1954 aanhou styg het. Die gemiddelde maandelikse indeks, wat van 143 in 1953 tot 158 in 1954 gestyg het, het in 1955 tot die nuwe hoogtepunt van 179 toegeneem.

Boubedryf:

Die indeks van die waarde van bouplanne goedgekeur in die agtien vernaamste stede van die Unie het toegeneem tot 150.7 in 1955, vergeleke met 142.3 in 1954 en 124.1 in 1953, terwyl dié van die waarde van geboue begin ook toegeneem het, nl. tot 167.5 in 1955, vergeleke met 154.6 in 1954 en 142.3 in 1953. Soos uit die onderstaande grafiek opgemerk sal word, het die waarde van bouplanne goedgekeur op 'n maandbasis egter hewige skommelings gedurende 1955 getoon, met 'n skerp dalende neiging gedurende die tweede helfte van die jaar. Ooreenstemmende bewegings is getoon deur die maandelikse indekse van geboue begin en werkverskaffing in die boubedryf, sodat dit wil voorkom asof boubedrywigheid gedurende die tweede helfte van 1955 aan die afneem was.



BUITELANDSE HANDEL*

Beide die Unie se invoere en uitvoere het nuwe hoogtepunte in 1955 bereik.

Ten gevolge van 'n aansienlike verslapping van invoerbeheer het die Unie se invoere toegeneem tot ongeveer £485 miljoen in 1955, vergeleke met £437 miljoen in 1954 en £423 miljoen in 1953. Terwyl die invoersyfers volgens gebied nog nie vir die jaar 1955 beskikbaar is nie, wil dit voorkom uit die inligting wat vir die eerste tien maande beskikbaar is, asof invoere vanaf die dollargebied gedurende 1955 die grootste toename getoon het, alhoewel daar ook toenames was in die invoere vanaf die sterlinggebied en vanaf ander nie-sterlinglande.

Soos uit die bostaande grafiek opgemerk sal word, het invoere, met uitsluiting van seisoensbewegings, gedurende 1955 heelwat geskommel, maar 'n effense opwaartse neiging getoon vergeleke met 'n dalende neiging gedurende 1954.

Teenoor die styging van ongeveer £48 miljoen in invoere in 1955, het goedereuitvoere, met uitsluiting van goud en skeepsvoorrade, met ongeveer £37 miljoen toegeneem, nl. van ongeveer £323 miljoen in 1954 tot ongeveer £360 miljoen in 1955. Van hierdie toename was ongeveer £15 miljoen toe te skrywe aan uraan, £5 miljoen aan diamante, £4 miljoen aan looderts, £2 miljoen aan vrugte en £2 miljoen aan mielies. Aan die ander kant het woluitvoere 'n daling van omtrent £3 miljoen getoon.

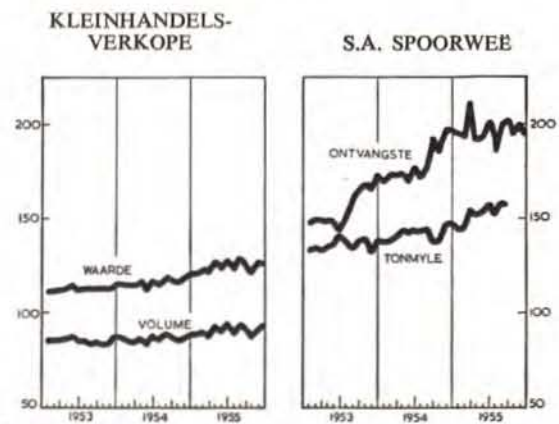
Soos uit die bostaande grafiek opgemerk sal word, het goedereuitvoere, op 'n maandbasis gereken en met uitsluiting van seisoensbewegings, 'n sterker opwaartse neiging gedurende 1955 as gedurende 1953 en 1954 getoon.

BINNELANDSE HANDEL

Geoordeel volgens die beskikbare indekse vir Johannesburg, Pretoria, Kaapstad, Oos-Londen en Durban, wil dit voorkom asof beide die waarde en

fisiese omvang van kleinhandelsverkope in 1955 hoër was as in 1954. Dit blyk uit die onderstaande grafiek waarop die gesamentlike indekse vir die vyf gebiede getoon word. In die geval van die waarde van omset, wil dit voorkom asof die opwaartse beweging gedurende die tweede helfte van 1954, voortgesit is gedurende die eerste helfte van 1955, maar dat die maandelikse indekse gedurende die tweede helfte van 1955 op 'n konstante peil beweeg het. In die geval van die fisiese omvang van omset, wil dit voorkom asof die verdere opwaartse beweging gedurende die eerste helfte van 1955, deur 'n effense afwaartse neiging gedurende die tweede helfte van die jaar gevolg is.

Dit moet egter in gedagte gehou word dat die bogenoemde gesamentlike indekse op beperkte monsters gebaseer is wat slegs op die genoemde vyf gebiede betrekking het.



Indekse (1948=100) — Aangesuiwer vir seisoenskommelings.

SPOORWEGVERVOER

Spoorweginkomste het 'n verdere aansienlike styging in 1955 getoon en die gemiddelde maandelikse indekse het tot 197 toegeneem, vergeleke met 179 in 1954 en 155 in 1953. Van die bostaande grafiek sal dit egter opgemerk word, dat, ná die skerp opwaartse beweging gedurende die tweede helfte van 1954, die maandelikse indekse gedurende 1955 heelwat geskommel en geen duidelike op- of afwaartse neiging getoon het nie.

In die geval van die indekse van totale tonmyle van inkomstedaende vervoer, is die syfers vir die laaste kwartaal van 1955 nog nie beskikbaar nie, maar, soos blyk uit die bostaande grafiek, was die gemiddelde maandelikse indeks hoër in 1955 as in 1954, terwyl dit ook wil voorkom asof die opwaartse beweging gedurende 1954, in 1955 voortgesit is.

RENTEKOERSE

Die rentekoersstruktuur het 'n aansienlike styging gedurende 1955 ondergaan, veral gedurende die tweede helfte van die jaar, en dié opwaartse beweging is gedurende die eerste paar maande van 1956 voortgesit.

* Weens aansuiwerings wat vir betalingsbalansdoeleindes gemaak word, verskil die in- en uitvoersyfers wat hier aangehaal word ietwat van dié wat deur die Departement van Doeane en Aksyns gepubliseer word.

Ná die verhogings in die Britse bankkoers vanaf 3 tot $3\frac{1}{2}$ persent op 27 Januarie 1955 en tot $4\frac{1}{2}$ persent op 24 Februarie 1955, het die Unie besluit om, in die lig van o.a. die betreklike sterk en gesonde interne finansiële toestand, nie die plaaslike Bankkoers van 4 persent wat sedert Maart 1952 onveranderd gebly het te verhoog nie. Op 2 Maart 1955 egter, is die koerse vir skatkisbewyse en vir daggelddeposito's by die Nasionale Finansiële korporasie met $\frac{1}{2}$ persent verhoog weens die hoër ooreenstemmende koerse op die Londense geldmark en om 'n moontlike aansienlike uitvloeï van fondse na Londen te verhoed. Dus het die koers op skatkisbewyse met 'n looptyd van drie maande van $1\frac{15}{16}$ tot $2\frac{7}{16}$ persent toegeneem, dié op bewyse met ses maande looptyd van 2 tot $2\frac{1}{2}$ persent en dié op bewyse met twaalf maande looptyd van $2\frac{1}{4}$ tot $2\frac{5}{8}$ persent, terwyl die koers op daggelddeposito's by die N.F.K. toegeneem het van $1\frac{7}{8}$ tot $2\frac{1}{8}$ persent. Boonop het die Reserwebank sy rentekoerspatroon vir opemarktransaksies in Staatseffekte met 'n looptyd tot 4 jaar verhoog, terwyl op 4 Maart 1955 die handelsbanke hulle koerse op vaste deposito's met $\frac{1}{2}$ persent in die geval van drie en ses maande deposito's en met 1 persent in die geval van twaalf maande deposito's verhoog het.

Op 18 Mei 1955, is die rentekoerspatroon vir Staatseffekte met 'n looptyd tot 2 jaar verder verhoog, en op 1 Junie is dit gevolg deur 'n verhoging van $\frac{1}{8}$ persent in die koerse op skatkisbewyse van drie en ses maande, en in die handelsbanke se koers op drie maande vaste deposito's.

Aangesien geldkoerse in die Verenigde Koninkryk en in 'n aantal ander lande 'n verdere opwaartse beweging in die derde kwartaal van 1955 getoon het, het die Unieregering op 29 September besluit om die koerse op skatkisbewyse van drie en ses maande met 'n verdere $\frac{1}{2}$ persent te verhoog, nl. tot 3 en $3\frac{1}{8}$ persent, onderskeidelik, terwyl die N.F.K. ook sy koers op daggelddeposito's van $2\frac{1}{4}$ tot $2\frac{7}{8}$ persent verhoog het. Op dieselfde datum het die Suid-Afrikaanse Reserwebank die Bankkoers van 4 tot $4\frac{1}{2}$ persent verhoog en „nadat hy hom vir 'n tydperk weerhou het van opemarktransaksies met die doel om die mark te toets en toe te laat dat rentekoerse hulle eie peil vind, het die Bank besluit om weer in die mark op te tree en sodoende 'n geordende opwaartse aanpassing van rentekoerse te verseker". Gevolglik is die Bank se rentekoerspatroon vir Staatseffekte met 'n looptyd tot 5 jaar verhoog met $\frac{1}{2}$ persent, dié vir effekte met 'n looptyd van tussen 5 en 9 jaar met $\frac{3}{8}$ persent, en dié vir effekte met 'n looptyd van meer as 9 jaar met $\frac{1}{4}$ persent. Op 18 November 1955, is die koerse vir alle effekte met 'n looptyd van meer as 5 jaar verder met $\frac{1}{8}$ persent verhoog.

Ná die verhoging in die Bankkoers op 29 September, het die handelsbanke op 1 Oktober gevolg deur hulle minimumkoers op oortrekkings van $5\frac{1}{2}$ tot 6 persent, hulle koers op vaste deposito's van drie

maande van $2\frac{5}{8}$ tot $3\frac{1}{8}$ persent, en hulle koers op vaste deposito's van ses maande van $2\frac{1}{4}$ tot $3\frac{1}{4}$ persent, te verhoog, terwyl in die geval van vaste deposito's van twaalf maande hulle koers van 4 persent van toepassing gemaak is op deposito's tot £50,000 i.p.v. tot £25,000 soos voorheen, en $3\frac{1}{2}$ persent gekwoteer is vir bedrae bo £50,000. Hierdie grens van £50,000 is egter verder tot £100,000 op 22 Desember 1955 verhoog.

As gevolg van hierdie verhogings, het die Bouverenigings* besluit om vanaf 1 Januarie 1956 hulle koerse op vaste deposito's te verhoog van 4 tot $4\frac{1}{2}$ persent in die geval van deposito's van 12 tot 17 maande en van $4\frac{1}{2}$ tot 5 persent in die geval van deposito's van 18 maande en meer, terwyl die koerse op hulle aandeel ook met $\frac{1}{2}$ persent verhoog is. 'n Maand later, op 1 Februarie 1956, het die handelsbanke hulle koers op vaste deposito's van twaalf maande verhoog tot $4\frac{1}{2}$ persent vir bedrae tot £100,000 en $3\frac{3}{4}$ persent vir bedrae daarbo, en op 17 Februarie 1956 is dit gevolg deur 'n verdere verhoging van $\frac{1}{4}$ persent in die koerse vir skatkisbewyse van drie en ses maande en op daggelddeposito's by die N.F.K. Op dieselfde datum is 'n verdere verhoging aangebring in die Reserwebank se rentekoerspatroon vir Staatseffekte, en op 22 Februarie 1956 het die handelsbanke ook hulle koerse op drie en ses maande vaste deposito's met 'n verdere $\frac{1}{4}$ persent verhoog.

Ter opsomming dus, het die koers op skatkisbewyse met 'n looptyd van drie maande bv. van $1\frac{15}{16}$ persent aan die end van 1954 tot $3\frac{1}{4}$ persent teen die end van Februarie 1956 toegeneem, dié op skatkisbewyse met ses maande looptyd van 2 tot $3\frac{1}{8}$ persent, en dié op daggelddeposito's by die N.F.K. van $1\frac{7}{8}$ tot $3\frac{1}{8}$ persent. Gedurende dieselfde tydperk, het die Reserwebank se rentekoerspatroon vir Staatseffekte toegeneem van $3\frac{1}{4}$ tot 4 persent vir 4-5 jaar effekte, van 4 tot $4\frac{1}{2}$ persent vir 9-11 jaar effekte, en van $4\frac{1}{2}$ tot $4\frac{3}{4}$ persent vir effekte met 'n looptyd van meer as 15 jaar.

Tenslotte, om die prentjie af te rond, moet melding gemaak word van die verhoging op 1 Maart 1956 van die koers vir spaarbankdeposito's by die bouverenigings en die handelsbanke van 3 tot $3\frac{1}{2}$ persent.

BETALINGSBALANS

Alhoewel invoerbeheer aansienlik verslap is, het die Unie se netto lopende tekort teenoor die buiteland 'n klein vermindering in 1955 vergeleke met 1954 getoon as gevolg, eerstens, van die sterk styging in goedereuitvoere en, tweedens, van die verhoogde goudproduksie. Aan die ander kant was die netto toevloei van buitelandse kapitaal aansienlik laer in 1955, sodat die land se goud- en buitelandse valuta-besit heelwat gedaal het, vergeleke met 'n skerp styging gedurende 1954.

Soos hierbo onder die hoof „Buitelandse Handel” aangetoon, het invoere van £437 miljoen in 1954

* Bouverenigings kwoteer nie almal dieselfde koerse nie en slegs die oorheersende koerse word na verwys.

tot ongeveer £485 miljoen in 1955 gestyg, en uitvoere (uitgesonderd goud en skeepsvoorrade) van £323 miljoen tot omtrent £360 miljoen, sodat die land se handelstekort met ongeveer £11 miljoen toegeneem het, nl. van £114 miljoen tot £125 miljoen. Boonop dui voorlopige skattings daarop dat die Unie se netto onsigbare betalings met ongeveer £5 miljoen toegeneem het, maar aangesien die netto goudproduksie met omtrent £18 miljoen gestyg het, het die netto lopende tekort teenoor die buiteland in werklikheid met sowat £2 miljoen afgeneem, nl. van £30 miljoen in 1954 tot ongeveer £28 miljoen in 1955.

Gedurende 1955 het die Reserwebank se goud- en buitelandse valutareserwes van £147.8 miljoen tot £129.0 miljoen gedaal, d.w.s. met omtrent £19 miljoen, terwyl die buitelandse valutabesit van die handelsbanke en die Unie-regering ook met ongeveer £1 miljoen afgeneem het. Word hierdie totale afname van omtrent £20 miljoen in die reserwes vergelyk met die netto lopende tekort van omtrent £28 miljoen, dan wil dit voorkom asof die totale netto toevloei van buitelandse kapitaal ongeveer £8 miljoen in 1955 beloop het. In dié verband is dit bekend dat die netto ontvangste van kapitaal in die vorm van offisiële lenings ongeveer £13 miljoen beloop het, aangesien die Unie sowat £5 miljoen in die vorm van 'n Hollandse lening ontvang het, 'n dollarlening van omtrent £9 miljoen in die V.S.A. aangegaan het, en omtrent £1 miljoen netto teen die I.B.H.O.-lenings getrek het, maar, aan die ander kant, omtrent £2 miljoen van die dollarlening van £4 miljoen wat in 1951 van 'n groep Amerikaanse banke ontvang is, terugbetaal het. Dus, indien die feit dat die banke se korttermyn verpligtings teenoor die buiteland met omtrent £2 miljoen afgeneem het, ook in aanmerking geneem word, wil dit voorkom asof die Unie 'n netto uitvloei van private kapitaal, insluitende handelskrediete, van omtrent £3 miljoen in 1955 ondervind het.

Wat laasgenoemde betref, is dit egter bekend dat netto ontvangste in die vorm van uraan- en ander geïdentifiseerde private lenings ongeveer £14 miljoen beloop het, sodat dit wil voorkom asof daar 'n netto uitvloei van ongeïdentifiseerde private kapitaal van omtrent £17 miljoen was, wat byna geheel uit sterling bestaan het en wat hoofsaaklik gedurende die tweede en vierde kwartale van die jaar plaasgevind het. Op die vraagstuk tot welke mate hierdie netto uitvloei van kapitaal bestaan het uit handelskrediete wat aan buitelandse kopers toegestaan is of uit ontvangste vir uitvoere wat in die buiteland teruggehou is, teenoor die werklike oorplasing of terugtrekking van fondse vanuit die Unie, is ongelukkig geen inligting beskikbaar nie. Die hoër rentekoerse in Londen het ongetwyfeld Unie-fondse na daardie mark getrek, maar, geoordeel volgens die afname in plaaslike effektebeurspryse, wil dit voorkom asof die grootste deel van die netto uitvloei te wyte was aan die verkoop van Suid-Afrikaanse goudmynaandele deur inwoners van die Verenigde Koninkryk.

GELD IN OMLOOP

Alhoewel die gemiddelde maandelikse hoeveelheid geld in omloop in die Unie in 1955 tot ongeveer £447 miljoen gestyg het, vergeleke met £437 miljoen in 1954 en £430 miljoen in 1953, was daar in werklikheid 'n aansienlike afname gedurende die jaar 1955. Nadat dit van £444 miljoen aan die end van 1953 tot £471 miljoen aan die end van 1954 toegeneem het, het die bedrag in omloop tot ongeveer £449 miljoen aan die end van 1955 gedaal.

Die afname van ongeveer £22 miljoen gedurende 1955, wat uit afnames van ongeveer £15 miljoen en £7 miljoen in die bedrae gehou deur die private sektor en die Regering, onderskeidelik, bestaan het, het plaasgevind niteenstaande 'n styging van ongeveer £46 miljoen in bankkrediet, en was hoofsaaklik die gevolg van twee faktore, nl., 'n verdere verskuiwing van ongeveer £44 miljoen vanaf onmiddellik opeisbare na termyndeposito's by die handelsbanke, en 'n daling van ongeveer £20 miljoen in die land se goud- en buitelandse valutareserwes.

Met betrekking tot die styging van £46 miljoen in bankkrediet gedurende die jaar, het Reserwebankkrediet met £17 miljoen en handelsbankkrediet met £29 miljoen toegeneem. Die toename in Reserwebankkrediet het grootliks bestaan uit skatkisbewyse wat vir die Nasionale Finansiële korporasie en die handelsbanke verdiskonteer is, terwyl die styging in handelsbankkrediet die netto resultaat was van toenames, aan die een kant, van £34 miljoen in die banke se diskonteringe en voorskotte en £5 miljoen in hulle saldo's by die Nasionale Finansiële korporasie, en 'n afname, aan die ander kant, van ongeveer £10 miljoen in hulle beleggings.

In verband met die styging in die handelsbanke se diskonteringe en voorskotte, sal dit van die onderstaande grafiek opgemerk word dat, met uitsluiting van seisoensbewegings, die styging hoofsaaklik gedurende die eerste vier maande van die jaar plaasgevind het, waarna daar geringe dalings in Mei en Junie was. Gedurende die derde kwartaal van die jaar, nadat die Reserwebank die handelsbanke versoek het „om 'n verdere netto uitbreiding van hulle totale voorskotte en diskonterings te vermy en in die besonder hulle verpligtings in verband met die finansiering van huurkoop- en ander konsumpsiekrediet en ook in verband met die voorsiening van vaste kapitaal vir doeleindes van produksie of distribusie te beperk” was daar 'n verdere afname, en alhoewel dit gevolg is deur 'n styging in die vierde kwartaal, het die indeks aan die end van Desember geen netto toename oor die hoë punt wat in April bereik is, getoon nie.

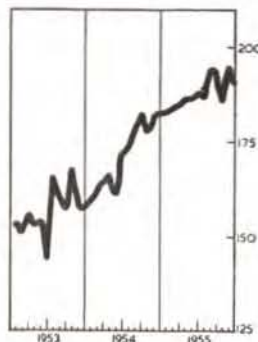
Wat rentedraende deposito's betref, wat nie by die geldhoeveelheid ingesluit word nie, maar wat verwant is aan geld, het die handelsbanke se vaste en spaardeposito's, soos reeds gemeld, met ongeveer £44 miljoen gedurende 1955 gestyg. Boonop het deposito's by Permanente Bouverenigings met

omtrent £15 miljoen toegeneem, terwyl hulle aandeelkapitaal met omtrent £23 miljoen gestyg het. Aan die ander kant, het deposito's by die Nasionale Finansiële korporasie (met uitsluiting van dié van banke) met ongeveer £20 miljoen gedaal.

HANDELSBANKE: DISKONTERINGE EN VOORSKOTTE



BANK- DEBETTE



Waardeindekse (1948=100) — Aangesuiwer vir seisoenskommelings.

BANKDEBETTE

Die indeks van bankdebette, wat debette teen Regeringsrekenings by die banke uitsluit, het in 1955 tot 188 toegeneem, vergeleke met 172 in 1954 en 156 in 1953. Uit die bostaande grafiek sal opgemerk word dat, met uitsluiting van seisoenskommelings, die neiging in die maandelikse indekse nog opwaarts was gedurende 1955, maar dat die koers van toename heelwat laer was as gedurende 1954. Van Desember 1954 tot Desember 1955 was die toename slegs gelyk aan die styging in groothandelspryse.

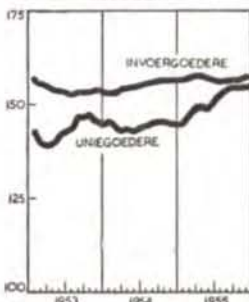
Die verdere styging in bankdebette in 1955 het veroorsaak dat die indeks van die omloopsnelheid van die geldhoeveelheid in private besit tot 210 toegeneem het, vergeleke met 187 in 1954 en 171 in 1953.

GOEDEREPRYSE

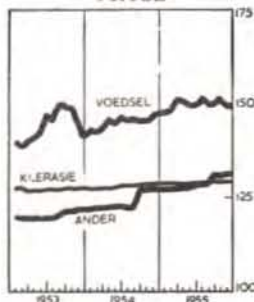
Verdere toenames het in die gemiddelde maandelikse indekse van totale groot- en kleinhandelspryse in 1955 plaasgevind.

Die gemiddelde maandelikse indekse van groothandelspryse vir alle goedere wat van 149.3 in 1953 tot 150.4 in 1954 toegeneem het, het in 1955 tot 155.2, d.w.s. met 3.2 persent, gestyg, wat toenames

GROOTHANDELS- PRYSE



KLEINHANDELS- PRYSE



Indekse (1948=100)

van 4.9 persent in die indeks van Uniegoedere en 1.1 persent in dié van invoergoedere weerspieël. Soos blyk uit die bostaande grafiek, het die indeks van Uniegoedere gedurende die eerste nege maande van die jaar aansienlik gestyg, maar toe gedurende die res van die jaar konstant gebly, terwyl die indeks van invoergoedere oor die hele jaar betreklik stabiel gebly het.

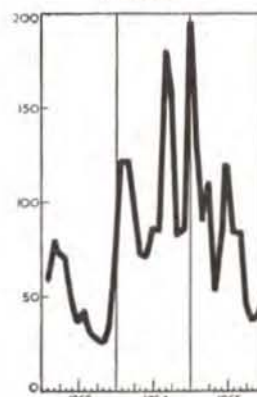
In die geval van kleinhandelspryse het die gemiddelde maandelikse indeks gestyg tot 136.7 in 1955, vergeleke met 132.5 in 1954 en 130.2 in 1953. Van Desember 1954 tot Desember 1955 het die styging 1.9 persent beloop, en, soos uit die bostaande grafiek blyk, was dit hoofsaaklik die gevolg van verdere toenames in die indekse van voedsel en „ander” poste, aangesien die indeks van klerasie betreklik stabiel gebly het. Die toename in die indeks van „ander” poste, op sy beurt, was hoofsaaklik te wyte aan 'n styging in huishuur. Daar moet egter op gelet word dat, net soos in die geval van groothandelspryse, die styging in die indeks van totale kleinhandelspryse hoofsaaklik tot die eerste drie kwartale van die jaar beperk was. Geringe dalings het in werklikheid voorgekom in November en Desember, sowel as in Januarie 1956.

AANDELEBEURSTRANSAKSIES

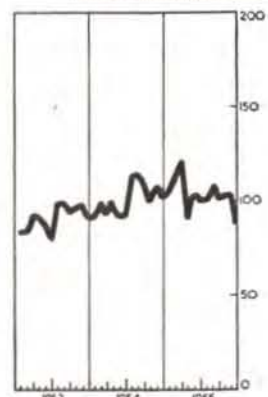
Ná die sterk herlewing in die bedrywigheid op die aandelebeurs gedurende 1954, was daar 'n aansienlike afname gedurende 1955, wat hoofsaaklik tot goudmynaande beperk was. Terwyl die prysindeks van industriële aandele, op 'n gemiddelde maandelikse basis, weinig verandering van 1954 tot 1955 getoon het, het dié van aandele van produserende goudmyne afgeneem van 80 tot 74, en dié van aandele van ontwikkelende goudmyne van 172 tot 167.

Wat die omset betref, het die indekse gebaseer op die totale waarde van transaksies in verhandelbare effekte van Johannesburgse aandelermakelaars, afgeneem van 113.1 in 1954 tot 74.5 in 1955, vergeleke met 48.4 in 1953, en van die grafiek hieronder sal opgemerk word dat die neiging gedurende 1955 skerp afwaarts was.

EFFEKTEBEURS- OMSET



VASSE EIENDOMS- TRANSAKSIES



Waardeindekse (1948=100) — Aangesuiwer vir seisoenskommelings.

TRANSAKSIES IN VASTE EIENDOM

Die gemiddelde maandelikse indeks van die waarde van eiendomstransaksies het toegeneem tot 103 in 1955, vergeleke met 101 in 1954 en 92 in 1953. Die bostaande grafiek toon egter aan dat die neiging gedurende 1955 nie duidelik op- of afwaarts was nie, vergeleke met 'n effense opwaartse beweging gedurende 1953 en 1954.

BESLUIT

Insoverre die beskikbare gegewens oor die onderskeie sektore van die Unie se ekonomie dit toelaat, is 'n verskil hierbo getrek tussen die globale of gemiddelde posisie in 1955 vergeleke met dié in die voorafgaande jare, aan die een kant, en die verloop van die ontwikkelings gedurende die jaar 1955 vergeleke met dié gedurende die voorafgaande jare, aan die ander kant. Veral in die lig van die bevindings is dit belangrik dat hierdie onderskeid behou moet word in die opsomming van die gevolgtrekkings wat volg.

Geneem op 'n jaarlikse of gemiddelde maandelikse basis is dit gevind dat byna ál die waardeindekse, nl. bruto volksproduksie, bruto binnelandse kapitaalvorming, minerale produksie, bouplanne goedgekeur, goedereinvoere en -uitvoere, spoorweginkomste, diskonteringe en voorskotte van die handelsbanke, bankdebette, eiendomstransaksies, en, geoordeel volgens die beskikbare gegewens, ook fabrieksopbrengs en kleinhandelsverkope, tot nuwe hoogtepunte in 1955 gestyg het. Slegs aandeelbeursomset en die waarde van landbouproduksie het afnames in 1955 vergeleke met 1954 getoon. Dus is dit duidelik dat, geneem op 'n jaarlikse basis, die *monetêre* omvang van die Unie se ekonomiese bedrywigheid 'n nuwe hoogtepunt in 1955 bereik het. Die verdere toename in 1955 was deels die gevolg van 'n verdere styging in pryse, maar uit die beskikbare gegewens wil dit voorkom asof ook die *fisiese* omvang van ekonomiese bedrywigheid hoër was in 1955 as in 1954.

Om 'n duideliker prent te verkry van die posisie wat in 1955 bereik is, kan oorweging geskenk word aan die grafieke op bladsy xxiii, wat 'n beeld verskaf, ook op 'n jaarlikse basis, van sommige van die belangrikste aspekte van die Unie se ekonomiese ontwikkeling gedurende die afgelope sewe jaar, d.w.s. die tydperk waarin invoerbeheer toegepas is. Aangesien van tyd tot tyd 'n oorsig van die ontwikkelings gedurende hierdie jare gegee is, sal 'n paar kort opmerkings voldoende wees.

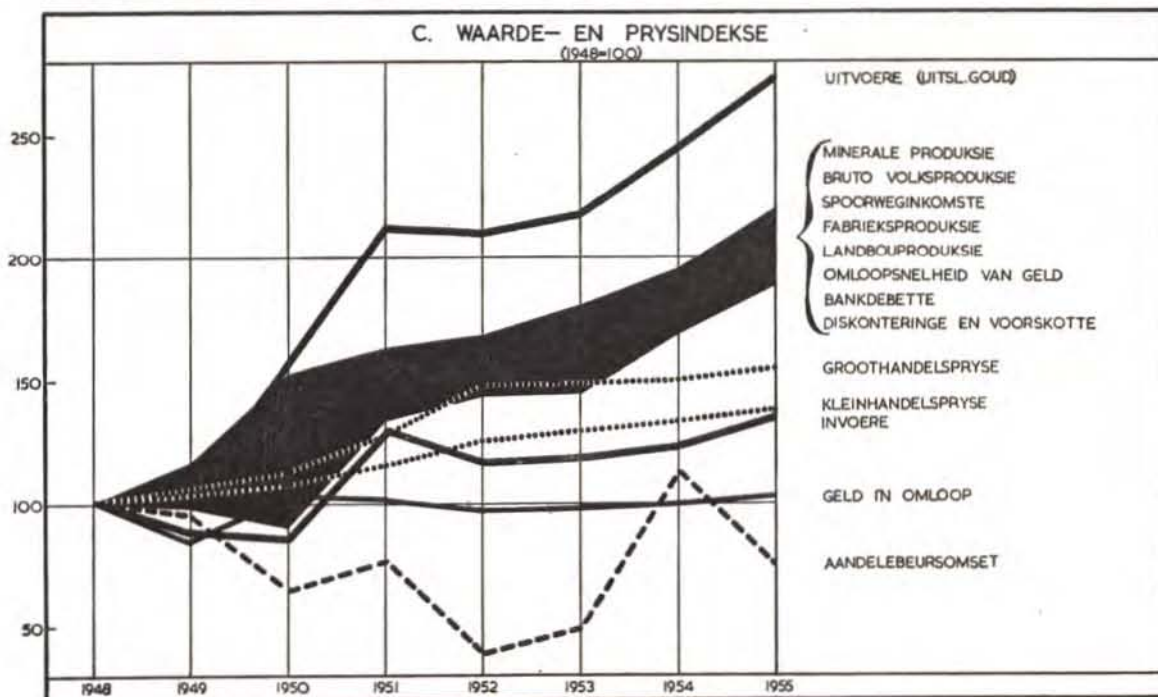
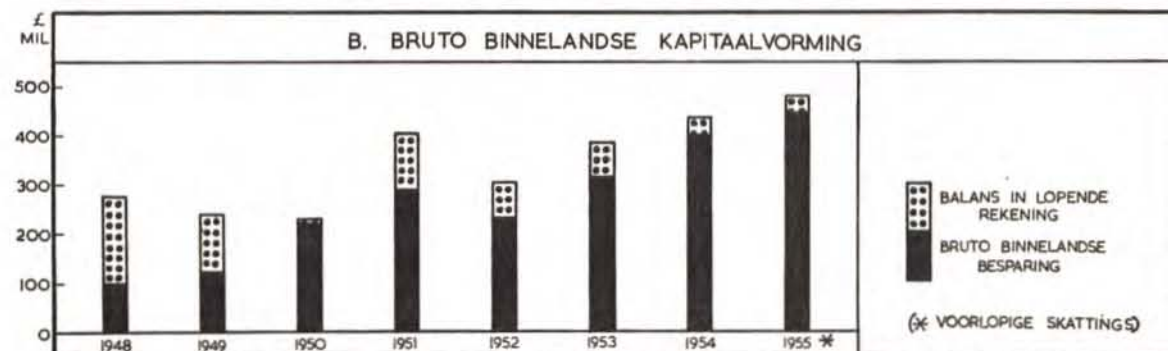
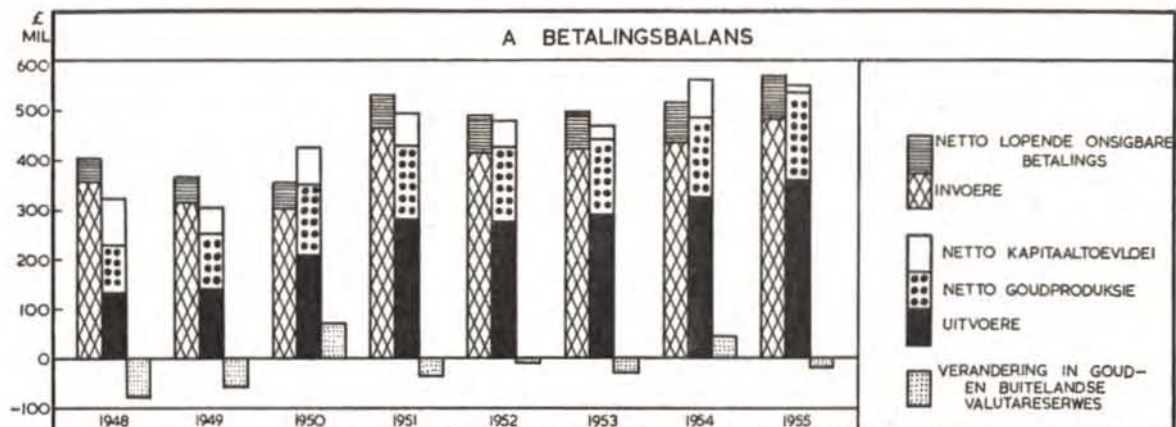
'n Prent van die Unie se betalingsbalans word weergegee in Grafiek A, wat vir elke jaar aantoon (1) tot watter mate invoere plus netto lopende onsigbare betalings gedek is deur uitvoere plus netto goudproduksie plus netto buitelandse kapitaaltoevloei, en (2) die gevolglike verandering in die Unie se goud- en buitelandse valuta-reserwes. In die geheel wil dit voorkom uit hierdie grafiek asof invoerbeheer taamlik suksesvol toegepas is gedurende

die tydperk onder bespreking, insoverre die veranderinge in die Unie se goud- en buitelandse valuta-reserwes relatief klein was. Netto ontvangste van buitelandse kapitaal het op 'n relatiewe lae peil beweeg, maar, aan die ander kant, het stygende uitvoere en goudproduksie 'n aansienlike vermindering van die netto lopende tekort en terselfdertyd verslapping van invoerbeheer moontlik gemaak.

Die afname in die Unie se netto lopende tekort kan duideliker gesien word op Grafiek B, wat die styging in bruto binnelandse kapitaalvorming aantoon sowel as die fondse beskikbaar vir die finansiering daarvan, nl. (1) netto ontvangste van buitelandse kapitaal en realisering van goud- en buitelandse valuta-reserwes (d.w.s. die netto lopende tekort) en (2) bruto binnelandse besparing. Die sterk styging in binnelandse besparing, wat deels die gevolg was van die uitwerking van invoerbeheer op die besteding van persoonlike inkome, het die land minder afhanklik van buitelandse fondse vir die finansiering van binnelandse kapitaalvorming gedurende hierdie tydperk gemaak.

Die styging in binnelandse kapitaalvorming kan in verband gebring word met die algemene uitbreiding van ekonomiese bedrywigheid in die Unie gedurende hierdie tydperk. Dit word weerspieël in Grafiek C wat, kortliks, die volgende aandui:

- (1) Gedurende die sewe jaar van invoerbeheer toe invoere met slegs 37 persent toegeneem het, het 'n aantal van die meer belangrike *waardeindekse*, nl. bruto volksproduksie, minerale produksie, landbouproduksie, bankdebette, spoorweginkomste, omloopsnelheid van geld, diskonteringe en voorskotte van die handelsbanke, en, geoordeel volgens die beskikbare gegewens, ook fabrieksproduksie, tussen die betreklike nou grense wat deur die swart band aangedui word, geskommel, en met tussen 88 en 120 persent toegeneem.
- (2) Ten gevolge van die stygende produksie-aktiwiteit, en aangehelp deur die devaluasie van die Suid-Afrikaanse pond in 1949 sowel as deur die hoër wolprys sedert 1950, het die waarde van uitvoere (uitsluitende goud maar insluitende uraan) met nie minder as 173 persent gedurende hierdie tydperk toegeneem nie.
- (3) 'n Vermeerdering in handelsbankkrediet in die vorm van diskonteringe en voorskotte, waarvan die neiging naasteby deur die onderste grens van die swart band aangetoon word, het 'n belangrike rol gespeel in die finansiering van die verhoogde produksie- en handelsbedrywigheid.
- (4) Ten spyte van die styging in bankkrediet, het die gemiddelde maandelikse hoeveelheid geld in omloop betreklik konstant gebly as gevolg van die ongunstige saldo's op die betalingsbalans en die verskuiwing vanaf onmiddellik



opeisbare na termyndeposito's by die handelsbanke. Met die styging in rentekoerse, het hierdie verskuiwing nie minder as £96 miljoen gedurende die sewe jaar beloop nie.

- (5) Terwyl die hoeveelheid geld in omloop relatief konstant gebly het, het die omloopsnelheid daarvan meer as verdubbel. M.a.w., teen 1955 het dieselfde hoeveelheid geld ongeveer tweekeer soveel werk as in 1948 verrig.
- (6) Bedrywigheid op die aandelebeurs het geneig om gedurende hierdie tydperk onder die 1948 peil te beweeg, en dit weerspieël die relatiewe skaarste aan risiko-kapitaal en die stygende produksiekoste in die goudmynbedryf.

In die geheel wil dit dus voorkom asof, ten spyte van invoerbeheer, die relatiewe lae peil van netto kapitaaltoevoel, die arbeidstekort en die anti-inflasionistiese maatreëls wat van tyd tot tyd getref is, die Unie se ekonomiese bedrywigheid, in terme van *geld* gemeet, binne die sewe jaar onder bespreking naasteby verdubbel het, wat beteken dat die gemiddelde jaarlikse koers van toename meer as 10 persent beloop het. Ongelukkig is genoegsame gegewens om die toename gedurende hierdie tydperk in *reële* terme te bepaal, nie beskikbaar nie, maar geoordeel volgens die toenames in groot- en kleinhandelspryse, sou 'n baie growwe skatting wees dat die *fisiese* omvang van ekonomiese bedrywigheid tussen 30 en 40 persent gestyg het, of teen 'n gemiddelde jaarlikse koers van tussen 4 en 5 persent, wat baie hoog en heelwat meer is as die gemiddelde jaarlikse koers van toename van ongeveer 2 persent in die Unie se totale bevolking of ongeveer 1.9 persent in sy blanke bevolking gedurende hierdie tydperk.

Indien egter die verloop van ontwikkelings op 'n maandelikse basis gedurende die jaar 1955 oorweeg word, word 'n ietwat verskillende prentjie verkry. Terwyl meeste van die waardeïndekse op 'n jaarlikse basis tot nuwe hoogtepunte in 1955 gestyg het, is dit in verskeie gevalle gevind dat die maandelikse syfers, óf dwarsdeur 1955, óf gedurende die tweede helfte van die jaar, 'n heelwat stadiger koers van toename vergeleke met dié gedurende 1954 getoon het, terwyl in die geval van die boubedryf die neiging gedurende die tweede helfte van 1955 afwaarts was.

Dit wil dus voorkom asof die koers van toename in die Unie se ekonomiese bedrywigheid, in terme van *geld* gemeet, aansienlik afgeneem het gedurende 1955, en dat, gesien die verdere opwaartse beweging in pryse wat egter konstant gebly het gedurende die laaste kwartaal van die jaar, die *fisiese* omvang

van bedrywigheid slegs 'n effense opwaartse neiging getoon het, indien dit nie relatief stabiel gebly het nie. Tot watter mate hierdie stadiger tempo van ontwikkeling gedurende 1955 onvermydelik was ná die uitsonderlike hoë koers van uitbreiding gedurende die voorafgaande jare, en tot watter mate dit die gevolg was van die netto uitvloei van private kapitaal en van die anti-inflasionistiese stappe in die vorm van kredietbeperking en rentekoersverhoging, is moeilik om vas te stel. Dit wil egter voorkom asof die verhoogde rentekoersstruktuur, insoverre dit effektief was, meer invloed op die Unie se interne ekonomie uitgeoefen het as op die beweging van buitelandse kapitaal, aangesien gedurende die laaste kwartaal van die jaar, nadat rentekoerse verhoog is, die Unie 'n verdere netto uitvloei van private kapitaal ondervind het.

Onder die omstandighede, en in die lig van die heersende geldvastheid, het die Unie-regering in Februarie 1956, toe die Britse Bankkoers met 'n verdere een persent verhoog is, besluit om nie die plaaslike Bankkoers te verhoog nie, aangesien dit gevoel is dat 'n verdere verhoging 'n nadelige uitwerking op die Unie se ekonomie mag hê. In plaas daarvan het die Regering besluit om die oorsprong na die Sterlinggebied van kapitaalfondse wat aan Unie-inwoners behoort, te beheer, en in dié verband is dit veral benadruk dat die beheermaatreëls slegs betrekking het op die uitvoer van kapitaal in besit van Unie-inwoners, en dat dit geen afwyking inhou nie van die tradisionele beleid om die repatriasie van kapitaal wat deur nie-inwoners in die Unie belê is, na die plek van oorsprong toe te laat.

Wat die betalingsbalansvooruitsigte vir 1956 betref, is die peil van die land se goud- en buitelandse valutareserwes aan die begin van die jaar, beskou tesame met die stygende goud- en uraanproduksie, as genoegsaam geag om invoere op dieselfde peil as in 1955 te handhaaf. Invoerbeheer is egter behou en enige wysiging daarvan gedurende die komende jaar sal tot 'n groot mate van die netto toevloei van kapitaal uit die buiteland afhang. Soos in die verlede, sal die beweging van buitelandse kapitaal sowel as oorsese ontwikkelings, van groot belang vir die Unie se algemene ekonomiese ontwikkeling in 1956 wees. Binnelands is die agterstand in spoorwegvervoer grootliks verminder, maar die voortdurende tekort aan arbeid bly 'n eersterangse vraagstuk.

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