

REVIEW OF ECONOMIC CONDITIONS IN THE UNION IN 1959

As pointed out in earlier reviews in this Bulletin, economic activity in the Union increased substantially in the year 1957. During the second half of that year, however, the country began to experience balance of payments difficulties, not only as a result of a substantial decline in overseas raw material prices, which caused a considerable deterioration in the Union's terms of trade, but also as a result of the severe credit squeeze and higher interest rates ruling at the time in the United Kingdom, which directly or indirectly accounted for a substantial part of the outflow of capital experienced during that period.

In 1958, therefore, the Union's authorities, faced with a disequilibrium in the balance of payments, resorted to a number of monetary and fiscal measures, of which the most important were the restriction of bank credit through the application of supplementary reserve requirements to the commercial banks, the application of more stringent foreign exchange control measures as far as Union residents are concerned, and the raising of certain interest rates. These various measures had the desired effect of curtailing imports, so that there was a considerable decline in the Union's current deficit during the second half of that year. During the same period the Union also experienced a substantial net inflow of capital, associated with the decline in interest rates and the easing of the credit squeeze in the United Kingdom at the time. On the other hand, largely as a result of a further decline in overseas raw material prices, the value of merchandise exports continued to show a downward movement, and this was a major reason for the fact that by the second half of 1958, the Union began to experience recessionary tendencies in certain branches of the economy.

In the light of these developments, namely, the improved balance of payments position, on the one hand, and the slowing down of internal economic activity, on the other, it was felt at the beginning of 1959, that an easing of monetary policy would be justified. Thus, on 5th January, 1959, the local Bank rate was reduced by $\frac{1}{2}$ per cent to 4 per cent, which was the same level to which the Bank of England rate had been reduced during November the previous year. Moreover, the Reserve Bank adjusted its rates for transactions in Government stocks with maturities not exceeding one year and between one and two years to 3.875 and 4 per cent, respectively, as compared with the previous uniform rate of 4.125 per cent for all maturities up to three years, but made no changes in the case of medium

and long-term rates. Following the reduction in Bank rate, money market interest rates moved downwards, while subsequently, the commercial banks followed suit by reducing their minimum overdraft rate from 6.5 to 6 per cent, and making small downward adjustments in their rates for three and six months' deposits.

Apart from lowering the Bank rate, the supplementary reserve requirements, which had already been reduced from 8 per cent in October, 1958, to 6 per cent in November of that year, were further reduced to 4 per cent in February, 1959, while, in addition, a number of other expansionist measures were taken by the Government with a view to stimulating development in certain branches of the economy.

These various measures, in addition to other economic influences of both foreign and domestic origin, had their effect in shaping the course of the Union's economic development during 1959.*

A. GENERAL TENDENCIES. PRODUCTION AND EMPLOYMENT

(a) *Agriculture:*

Estimates made by the Division of Economics and Markets (including revised figures for earlier years) show that the Union's total gross value of agricultural production, which had declined from £387 million in 1956/57 to £362 million in 1957/58, increased to about £364 million in 1958/59.

The relatively small increase of about £2 million in the year ended June, 1959, was due to the fact that increases in the output of a number of products, for example, £6 million in the case of maize and £4 million in the case of sugar cane, were to a large extent offset by a decline of about £11 million in the output of wool, which occurred as a result of a further decline in wool prices. The value of the wool output decreased, namely, from about £48 million in 1957/58 to about £37 million in 1958/59, although the physical volume of output increased from 266 million to 273 million lbs.

As wool prices increased during the second half of 1959, it is likely that, also on a calendar year basis, the value of agricultural production showed an increase from 1958 to 1959.

(b) *Mining:*

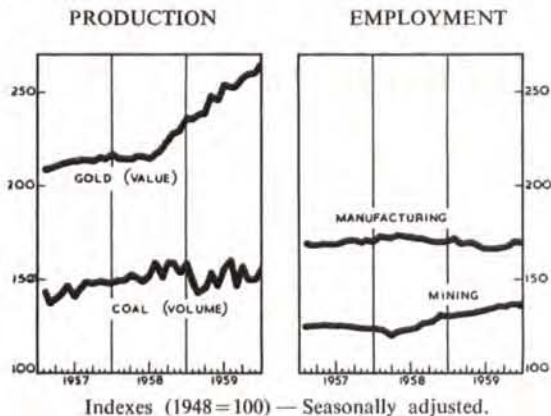
According to preliminary figures, the total value of mineral production in the Union, excluding quarry products but including the exports of uranium, rose to the record level of £384 million

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

in 1959, compared with £351 million in 1958 and £345 million in 1957.

The further increase of £33 million in 1959 was nearly fully accounted for by an increase of £30 million in the gold output, namely, from £220.0 million in 1958 to £250.1 million in 1959, or from 17.7 million fine ounces to 20.1 million fine ounces. Uranium exports* declined by about £4 million, but coal and copper sales increased by about £1 million each, while the sales of all other base and precious minerals rose by about £5 million.

Mining employment increased from an average monthly index of 125 in 1958 to 135 in 1959, and the chart below shows that the upward movement in the monthly indices during 1958, was continued during 1959.



(c) *Manufacturing:*

The average monthly index for employment in private manufacturing declined from 172 in 1958 to 168 in 1959, but, as indicated by the chart above, the monthly indices showed a slight upward tendency during the second half of the year, following the downward movement registered during the preceding eighteen months. Unfortunately, no up-to-date information is available on the output of manufacturing industries.

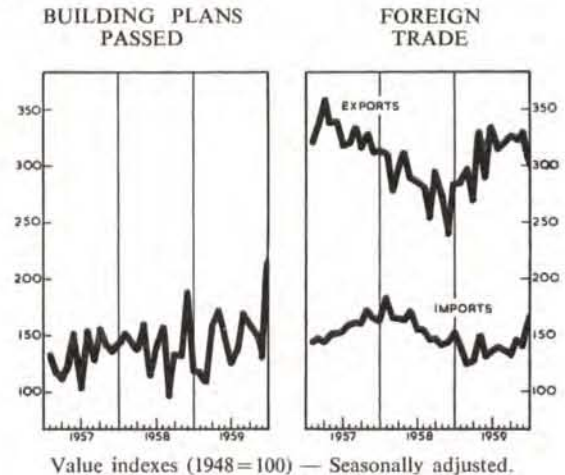
(d) *Electricity:*

Electric current generated continued to show an upward movement throughout 1959, and the average monthly index rose to 232, compared with 216 in 1958 and 204 in 1957.

(e) *Building and Construction:*

The average monthly index of building plans passed in the eighteen principal cities in the Union, which had increased from 133 in 1957 to 139 in 1958, rose further to 149 in 1959, and the chart below indicates that the trend in the monthly indices was upward during 1959, compared with a slight downward tendency during the year before. On the other hand, the seasonally adjusted index of employment in private construction, which had declined from 148 in the first half of 1958 to 140 in the second half, decreased further to 132 in the

first half of 1959, but then increased to 136 in the second half of the year.



FOREIGN TRADE

While the value of the Union's imports showed a sharp decline in 1959, the value of its exports increased substantially. After adjustment for balance of payments purposes, the preliminary trade figures indicate that merchandise imports, which had increased from £558 million in 1957 to £567 million in 1958, dropped to £499 million in 1959, while merchandise exports (excluding ships' stores), which had declined from £446 million to £386 million, rose to £427 million, respectively.

The drop of £68 million in imports in 1959, was principally the result of a decrease of £65 million in the imports of "Metals, metal manufactures, machinery and vehicles", of which motor vehicles, aircraft and parts accounted for £24 million. Smaller declines of £5 million and £4 million also occurred under the headings "Textiles, apparel, yarns and fibres" and "Wood and manufactures thereof", respectively, but these were partly offset by an increase of £7 million in the imports of "Foodstuffs". From the chart above it will be seen that, notwithstanding the drop in total imports in 1959, the monthly figures showed an upward tendency during the year, particularly during the last quarter, compared with a fairly sharp downward movement during 1958.

As far as merchandise exports are concerned, the increase of £41 million in 1959 consisted of increases of about £6 million in re-exports and about £35 million in the exports of South African produce. The last-mentioned increase, in turn, was mainly accounted for by increases of £15 million under the heading "Animals and agricultural products" (of which £10 million represented an increase in wool exports), £16 million under "Metals, metal manufactures, machinery and vehicles", and £9 million under "Minerals, earthenware and glassware". As against these and other smaller increases, a decline of about £13 million occurred in the exports of "Foodstuffs".

* Value figures for uranium production are not available.

As shown in the following table, the value increases registered under "Animals and agricultural products" and "Minerals, etc." were largely due to substantial increases in the physical volume of such *Class of Exports* *Percentage change from 1958 to 1959*

	Percentage change from 1958 to 1959		
	Value	Volume	Unit Price
Animals and agricultural products	+22	+24	- 2
Minerals, earthenware and glassware	+18	+18	—
Metals, metal manufactures, machinery and vehicles	+12	—	+12
Food, drink and tobacco	-15	-14	- 1

exports, while the value increase under "Metals, etc." was entirely the result of an increase in average price realised. The value decline in the case of "Food, drink and tobacco", on the other hand, was mainly accounted for by a decrease in the physical volume of exports. As far as the increase of £35 million, or about 10 per cent, in the total value of South African produce is concerned, preliminary calculations indicate that this was the result of increases of about 7 per cent in physical volume, and about 3 per cent in average prices.

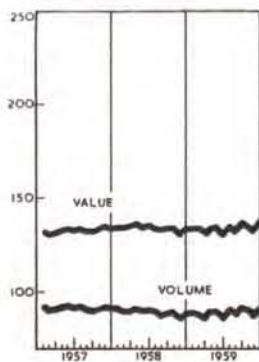
As will be seen from the chart above, the monthly value figures for exports showed a sharp upward tendency during 1959, following the downward movement registered during the two preceding years.

INTERNAL TRADE

According to the available indices for a number of the principal cities in the Union, the value of retail sales showed little change in 1959 compared with 1958. Combined figures for the several cities indicate, namely, that while the tendency in the monthly turnover indices was slightly upward during 1959, as against a slight downward movement during the year before, the average monthly index increased from 134.0 in 1958 to only 134.3 in 1959.

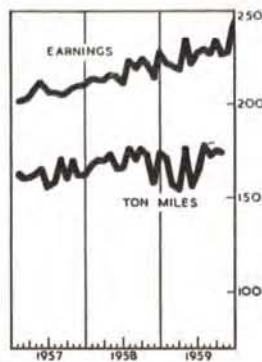
Judging by the data contained in the "Survey of Retail Trade" published by the Bureau of Census and Statistics in January, 1960, it would appear that the index figures quoted above, understate the increase in the value of retail sales actually recorded in 1959.

RETAIL SALES



Indexes (1948=100)—Seasonally adjusted.

S.A. RAILWAYS



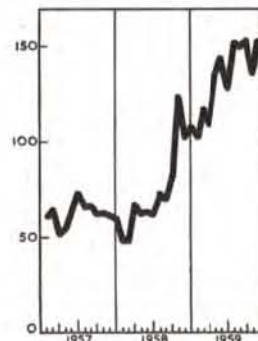
RAILWAY TRANSPORTATION

The monthly figures for railway earnings, shown on the chart above, continued to reveal an upward movement during 1959, and the average monthly index rose to 227, compared with 218 in 1958 and 207 in 1957. Similarly, the index for ton miles of revenue earning traffic increased further in 1959.

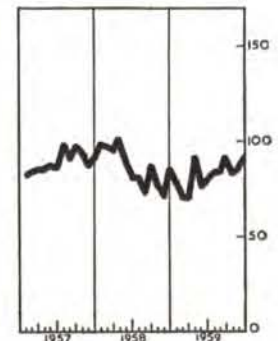
STOCK EXCHANGE TRANSACTIONS

The sharp upward movement in stock exchange turnover during the second half of 1958, was continued during 1959, particularly during the first three-quarters of the year, and the average monthly index rose to no less than 135, compared with 76 in 1958 and 63 in 1957. Accompanying the increased turnover, the share price index of producing gold mines rose further from 65 in 1958 to 87 in 1959, which was the highest monthly average figure registered since 1952. The price index for industrial shares also increased further, although at a much slower rate, namely, from 59 in 1958 to 62 in 1959.

STOCK EXCHANGE TURNOVER



REAL ESTATE TRANSACTIONS



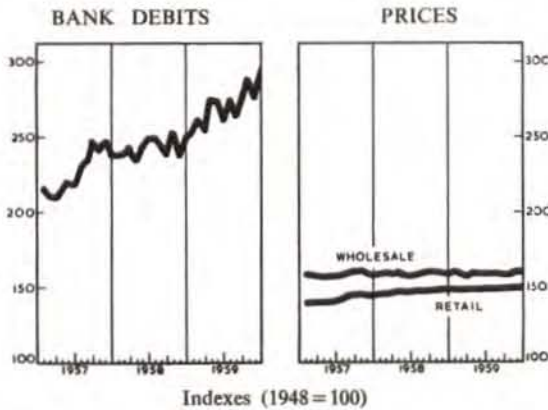
Value indexes (1948=100) — Seasonally adjusted.

REAL ESTATE TRANSACTIONS

Following a downward movement during 1958, the monthly indices of the value of property transactions (excluding Government transactions), showed an upward movement during 1959, as will be seen from the relevant chart above. The average monthly index was, however, still lower in 1959 than in 1958, namely, 82 compared with 86.

BANK DEBITS

The index of bank debits, which covers all debits to current accounts in banks in the Union, except Government accounts, increased from 244 in 1958 to 271 in 1959, i.e. by about 11 per cent, compared with an increase of only about 7 per cent from 1957 to 1958. As will be noted from the chart below, the monthly indices showed a distinct upward tendency throughout 1959, whereas during 1958 the trend was upward during the first half of the year, and then slightly downward during the second half.



COMMODITY PRICES

Wholesale prices continued to remain relatively stable during 1959, and the average monthly index (all goods) actually declined somewhat from 160.0 in 1958 to 159.8 in 1959. The slight decline in 1959 was the net result of a small increase in the index for imported goods and a slight decrease in that for Union goods.

In the case of retail prices, the average monthly index increased further from 148.5 in 1958 to 150.2 in 1959, i.e. by only 1.2 per cent, compared with an increase of 3.5 per cent from 1957 to 1958. The chart above shows that the monthly indices continued their slight upward movement throughout 1959.

As far as agricultural prices are concerned, the downward movement during 1958, was continued into the first quarter of 1959. Thereafter the index moved to a higher level in April, and increased still further in September, to stand at 139 in December, 1959, compared with 125 in December, 1958. The average monthly index, after dropping from 157 in 1957 to 130 in 1958, increased slightly to 131 in 1959.

The weighted average price of all types of wool, expressed in shillings per lb., which had declined from 4.92 in September, 1957, to 2.61 in December, 1958, increased thereafter to 2.94 in April and 3.78 in September, 1959, and then decreased slightly to 3.61 in December.

B. NATIONAL ACCOUNTS

According to the latest estimates published by the Bureau of Census and Statistics, which refer to the years ending 30th June, the Union's total geographical income increased further from £1,986 million in 1957/58 to £2,027 million in 1958/59, while the net national income, i.e. after deduction of the income accruing to non-Union factors of production, increased from £1,757 million to £1,798 million.

The increase of about £41 million in the geographical income in 1958/59, occurred notwithstanding declines of £9 million under "Trade and Commerce" and £3 million each under "Agriculture" and "Private Manufacturing", and was caused by increases under

nearly all the other main headings of income, including increases of £16 million under "Gold mining", and £15 million under "Public Authorities", i.e. income of public authorities other than from business enterprise.

Turning to a calendar year basis, provisional estimates made by the Reserve Bank indicate that the Union's gross national product at market prices increased by approximately £80 million in 1959, or 3.5 per cent, compared with an increase of about 3.8 per cent in 1958. Taking account of changes in the retail price index, this would mean that the real gross national product rose by about 2.3 per cent in 1959, as against 0.3 per cent the year before.

On the expenditure side of the national accounts picture, the indications are that gross domestic saving, which had declined in 1958, increased substantially in 1959, accompanied by a smaller increase in consumption. Gross domestic capital formation, on the other hand, showed a considerable decline,* due largely to a decrease in private investment, but also to a decline in investment by Public Authorities. While the bulk of the decrease in private investment represented a drop in investment in inventories, the decline in investment by Public Authorities was nearly entirely accounted for by a decrease in investment by the South African Railways and Harbours.

C. BALANCE OF PAYMENTS

The outstanding feature of the Union's balance of payments in 1959, was a huge net current surplus, which allowed not only for substantial repayments of foreign debt, but also for a considerable increase in the country's gold and foreign exchange reserves.

As indicated under the discussion of foreign trade above, merchandise imports dropped from £567 million in 1958 to £499 million in 1959, or by £68 million, while merchandise exports rose from £386 million to £427 million, or by £41 million. In addition to this improvement of £109 million in the trade deficit in 1959, the Union's net gold output rose by nearly £32 million, while, at the same time, there was a decline of about £6 million in net current invisible payments. Thus the total net balance on current account showed an improvement of no less than £147 million, namely, from a deficit of £74 million in 1958 to a surplus of about £73 million in 1959.

As against this net current surplus of about £73 million in 1959, the Union's gold and foreign exchange reserves rose by about £40 million, indicating a net outflow of capital in all forms of

* While in 1958, gross domestic capital formation exceeded gross domestic saving by the net surplus of £74 million on the capital account of the Union's balance of payments, it was lower than gross domestic saving by £70 million in 1959, due to a net outflow of capital of £30 million and an increase in the Union's gold and foreign exchange reserves of £40 million.

about £33 million. Of this total net outflow, it is known that £15 million was accounted for by official and banking institutions, leaving an amount of £18 million as the net outflow of private capital, including omissions and errors in the estimates.

In regard to the capital movements of official and banking institutions, net receipts of long-term foreign loans by the Union Government amounted to £14.9 million (of which £8.8 million was accounted for by net drawings under the I.B.R.D. loans), while Escom received a net amount of £2.1 million under Government guaranteed foreign loans. On the other hand, the commercial banks' long-term foreign liabilities declined by £1.7 million, so that total net receipts of long-term foreign funds amounted to about £15 million. These net receipts of long-term foreign funds were, however, more than offset by (1) the repayment by the Government of its debt of £13 million to the International Monetary Fund, (2) the payment to the same organization of about £5 million, representing the gold portion of the Union's increased quota, (3) the repayment by the Reserve Bank and the commercial banks of about £10 million of short-term foreign debt, and (4) an increase of £2 million in the commercial banks' long-term foreign assets.

As far as the residual figure of £18 million for the net outflow of private capital is concerned, preliminary results obtained under the 1959 "Survey of Foreign Transactions, Liabilities and Assets" indicate a net outflow of about £21 million, leaving an unidentified net inflow of £3 million. Of the identified net outflow of £21 million, about £10 million was accounted for by a net outflow of private Union-resident funds representing mainly a flow of direct investment capital to the Federation of Rhodesia and Nyasaland. The balance of the identified net outflow, namely, £11 million represented the net outflow of private foreign capital which occurred as a result of net purchases by Union residents from foreigners of about £20 million of securities listed on the Johannesburg Stock Exchange, and a net outflow of £7 million of non-direct investment capital funds, excluding transactions in listed securities, as against a net inflow of £16 million in the form of direct investment capital funds, also excluding transactions in listed securities. Of the last-mentioned figure, which refers to new investment effected by foreign firms in branches and subsidiaries in the Union, no less than £8 million represented investments in new companies inaugurated during 1959.

D. MONETARY AND FINANCIAL DEVELOPMENTS MONEY AND BANKING

During the year 1959, the domestic private sector's liquid assets with the banking sector, which had declined by £11 million in 1958, increased by £42 million. Of this increase, £20 million was accounted

for by an increase in their holdings of money, and £22 million by an increase in their holdings of interest-bearing deposits or secondary liquid resources.

As will be seen from the table below, the sharp increase in the private sector's liquid assets with the banking sector in 1959, occurred notwithstanding an

Changes in Liabilities and Assets of the Banking Sector¹ (£ millions)

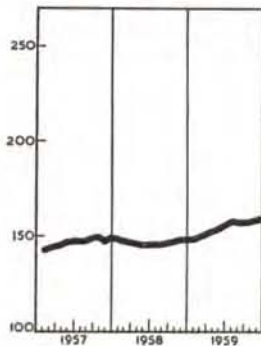
	1958	1959
Money supply ²	- 9	+20
Interest-bearing deposits ²	- 2	+22
	—	—
Total	-11	+42
	—	—
Net gold and foreign exchange reserves ³	- 1	+48
Claims on Government	+ 4	- 2
Government deposits ⁴	- 3	-25
Net Claims on local governments	+ 1	- 2
Claims on private sector	-13	+15
Unclassified items	+ 1	+ 8
	—	—
Total	-11	+42
	—	—

1. Including the National Finance Corporation.
2. Held by the domestic private sector, i.e. excluding Government, local government and foreign deposits.
3. Gold and foreign exchange reserves less short-term foreign liabilities.
4. Increase —, decrease +.

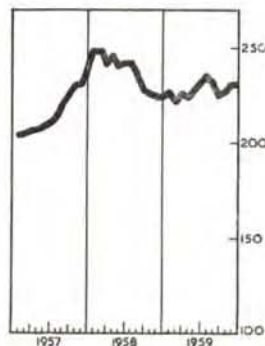
increase of £25 million in Government deposits, and was principally accounted for by an increase of £48 million in the banking sector's net gold and foreign exchange reserves, associated with the favourable balance of payments. A further important contributing factor was, however, an increase of £15 million in bank credit extended to the private sector.

The reasons for the increase of £25 million in Government deposits during 1959, are referred to in more detail under the heading "Money Market" below, but it should be noted here that part thereof could be associated with an increase in the private sector's liquid assets with the Government sector. While tax redemption certificates held by the private sector showed no change during 1958 and 1959, their holdings of Union treasury bills rose by £8 million during 1959, compared with an increase of £10 million during 1958. Thus their total liquid assets with the banking and Government sectors (see also the chart below) increased by £50 million during 1959, as against a decline of £1 million in 1958, to stand at £766 million at the end of 1959. At the same date, the commercial banks also continued to show a very liquid position with a ratio of liquid assets to liabilities to the public of 49 per cent. Their total liquid assets had risen by £20 million during the year, compared with £11 million during 1958.

LIQUID ASSETS
OF THE
PRIVATE SECTOR



COMMERCIAL BANKS'
DISCOUNTS AND
ADVANCES



Value indexes (1948=100) — Seasonally adjusted.

In regard to the increase of £15 million in bank credit extended to the private sector during 1959, £10 million represented an increase in the commercial banks' discounts and advances, which had declined by £18 million in 1958. As will be seen from the chart above, these discounts and advances fluctuated somewhat during 1959, revealing a slight upward tendency, compared with a distinct downward movement during the year before.

MONEY MARKET

As indicated above, the Union's favourable balance of payments during 1959 was accompanied by a substantial increase in the liquid resources of the banking and private sectors. This caused a strong demand for assets in which to invest funds, with the result that money market interest rates showed a downward tendency during the year.

The addition to liquid funds produced by the increase in the Reserve Bank's net gold and foreign exchange reserves, amounted to £43 million during the year. As will be seen from the table below, £5 million of this amount was absorbed by "sundry" items, representing mainly an increase in the commercial banks' obligatory reserves with the Reserve Bank, due to an increase in their liabilities to the public, while a net amount of £12 million was used by the commercial banks, the National Finance Corporation and the discount and accepting houses to repay borrowings from the Reserve Bank, indicating

*Changes in Liabilities and Assets of the
Reserve Bank*
(£ millions)

Changes in ease or tightness of money market: 1958 1959
A. THE SYMPTOMS:

Decrease (+) in net extent of recourse of Reserve Bank by:		
Commercial banks	+ 5	+ 2
N.F.C.	+10	+ 9
Discount and accepting houses	—	+ 1
Total easing (+) or tightening (–) of money market	+15	+12

B. THE CAUSES:

Net gold and foreign exchange†	+14	+43
Credit to Government	+ 9	– 3
Government deposits*	– 3	–25
Net claims on local governments	– 2	+ 2
Note circulation*	– 1	—
Sundry causes	– 2	– 5
Total	+15	+12

an easing of the money market to that extent. The balance of £26 million, together with a net extension of £2 million of credit to local governments by the Reserve Bank, represented the surplus of funds which was sterilised by the Union Government. The Government's deposits with the Reserve Bank rose, namely, by about £25 million, while its debt to the Bank was reduced by £3 million.

Of the increase of £25 million in Government deposits, £9 million represented an increase in the Paymaster General's account, due to a net redemption by the Exchequer of treasury bills held by the Paymaster General. The balance of the increase, namely £16 million, occurred in the Exchequer's account, while other Government accounts with the Reserve Bank showed no change over the year.

From the table below, it will be seen that, excluding borrowing and redemption, the Exchequer's deficit dropped from £94 million in 1958 to £56 million in 1959, or by £38 million, largely as a result of an increase of £35 million in revenue account receipts. As against the deficit of £56 million in 1959, net borrowing amounted to £72 million. As indicated before, the Exchequer reduced its debt with the Reserve Bank and the Paymaster General by £3 million and £9 million, re-

Exchequer Receipts and Issues
(£ millions)

	1958	1959
Receipts (Excluding Borrowing):		
(1) On Revenue Account:		
Customs and Excise	86	97
Post Office	31	37
Inland Revenue	191	209
Total	308	343
(2) Loan Recoveries	16	18
(3) Other Receipts	23	31
(4) Total Receipts	347	392
Issues (Excluding Redemption):		
(1) On Revenue Account	283	294
(2) Loan Services	135	126
(3) Other Issues	23	28
(4) Total Issues	441	448
Excess of issues (–)	–94	–56
Net Borrowing	+94	+72
Change in Exchequer Balance	—	+16

† Gold and foreign exchange reserves less short-term foreign liabilities.

* Increase –, decrease +.

spectively. Of the residual total net borrowing, namely, £84 million, £74 million was obtained from the Public Debt Commissioners, £8 million from other local sources, and £2 million from abroad.

The immobilisation of funds by the Government in 1959 occurred mainly during the third and fourth quarters* (when the Reserve Bank's gold and foreign exchange reserves showed substantial increases), and, therefore, had the effect of preventing any drastic decline in money market interest rates over the periods concerned. However, as shown in the following table, money market rates, after declining gradually during the first nine months of the year (the decrease in the first quarter followed the reduction in the local Bank rate), showed a more

End of	Money Market Interest Rates		
	Treasury Bill Tender Rate	Call Money Rate: Discount House of South Africa	N.F.C. Rate on Call Deposits
1958—Dec.	3.679	3.625	3.500
1959—Mar.	3.538	3.500	3.375
Jun.	3.479	3.350	3.225
Sept.	3.417	3.300	3.175
Nov.	3.258	3.125	3.000
Dec.	3.325	3.250	3.075

noticeable decline during October and November, and then rose again in December. This was due to the fact that the net immobilisation of funds by the Government during the fourth quarter of the year occurred mainly during December, when the net increase in Government deposits with the Reserve Bank amounted to £15 million, compared with £2 million in October and £1 million in November.

E. CONCLUSION

While the outstanding feature of economic developments in the Union during 1959 was the considerable improvement in the balance of payments, a number of significant changes were also evident in the internal economic position.

Considered on an average monthly basis, most of the value indices reviewed above, with the notable exception of imports,† showed increases in 1959, of which the more important were registered in such basic indicators as exports, gold production and bank debits. Moreover, preliminary estimates indicated further increases in 1959 in the gross national product and in consumption, as well as a substantial increase in gross domestic saving, which had declined in the year before. On the other hand, it was found that gross domestic capital formation showed a considerable decline, and while this was

largely due to decreases in investment in inventories (associated with the decline in imports), and in investment by the South African Railways and Harbours, the indications are that private fixed investment also declined slightly during the year.

The overall increase in the Union's monetary volume of economic activity in 1959 was accompanied by a relatively stable price level, indicating an increase also in the physical volume of activity. Thus it was found, for example, that the real gross national product at market prices rose by something over 2 per cent, compared with an increase of less than $\frac{1}{2}$ per cent in 1958.

Turning to the information available on a monthly basis, it would appear that the general slackening of business conditions during the second half of 1958 continued into the first half of 1959, but that expansionary tendencies were coming to the fore by the middle of the year. For the second half of the year, the available evidence points towards a gradual but distinct recovery, although it would seem that manufacturing activity was still lagging in this respect.

The improvement in economic conditions in the Union during 1959 is to a large extent to be associated with the substantial increase in exports and in mining activity. The increase in exports, together with the considerable rise in the gold production, also played an important part in the exceptional improvement which occurred in the country's net current account balance with the outside world. This improvement allowed for substantial repayments of foreign debt, as well as a considerable increase in the gold and foreign exchange reserves.

The favourable balance of payments in 1959 was accompanied by a substantial increase in the liquidity of the banks and the private sector, and this caused a strong demand for assets in which to invest surplus funds. Moreover, the local Bank rate was reduced early in the year, so that money market interest rates tended to decline. The net decline in these rates over the year was, however, relatively small, due to the sterilisation of surplus funds by the Government, as reflected in a considerable increase in the latter's net current account balance with the Reserve Bank.

In the light of the developments described above, the remaining supplementary reserve requirements were suspended early in 1960. Subsequently, in his budget speech, the Minister of Finance announced a number of tax reductions and other measures, aimed at a further stimulation of internal economic development by creating conditions favourable to increases in both private investment and consumption.

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* During the third quarter the immobilisation occurred largely as a result of substantial net borrowings, and in the fourth quarter mainly through the seasonal increase in tax receipts.

† Judging by the available index of employment, the value of manufacturing output might also have declined.

OORSIG VAN EKONOMIESE TOESTANDE IN DIE UNIE IN 1959

Soos aangedui in vorige oorsigte in hierdie blad, het ekonomiese bedrywigheid in die Unie aansienlik toegeneem in die jaar 1957. Gedurende die tweede helfte van daardie jaar het die land egter betalingsbalansmoeilikhede begin ondervind, nie alleen as gevolg van 'n aansienlike daling in oorsese grondstofpryse wat 'n noemenswaardige verswakking in die Unie se ruilvoet teweeggebring het nie, maar ook as gevolg van die drastiese kredietknelling en hoër rentekoerse wat destyds in die Verenigde Koninkryk geheers het, en wat direk of indirek verantwoordelik was vir 'n aansienlike deel van die uitvloei van kapitaal wat gedurende daardie tydperk ondervind is.

Weens die onewewig in die betalingsbalans, het die Unie se owerhede dus in 1958 'n aantal monetêre en fiskale maatreëls aangewend, waarvan die belangrikste bestaan het uit die beperking van bankkrediet deur die toepassing van aanvullende reserwevereistes op die handelsbanke, die toepassing van strengere buitelandse valutabeheer wat Unie-inwoners betref, en die verhoging van sekere rentekoerse. Hierdie verskeie maatreëls het die gewenste uitwerking gehad om invoere te beperk, sodat daar 'n aansienlike daling in die Unie se lopende tekort gedurende die tweede helfte van daardie jaar was. Gedurende dieselfde tydperk het die Unie ook 'n noemenswaardige netto toevloei van kapitaal ondervind, wat verband gehou het met die daling in rentekoerse en die verligting van die kredietknelling in die Verenigde Koninkryk. Aan die ander kant, grootliks as gevolg van 'n verdere afname in oorsese grondstofpryse, het die waarde van goedereuitvoere nog steeds 'n afwaartse neiging getoon, en dit was 'n belangrike rede vir die feit dat die Unie, teen die tweede helfte van 1958, neigings tot teruggang in sekere sektore van die ekonomie begin ondervind het.

In die lig van hierdie verwickelinge, nl. die verbeterde betalingsbalansposisie, aan die een kant, en die afname in binnelandse ekonomiese bedrywigheid, aan die ander kant, is daar aan die begin van 1959 gevoel dat 'n verligting van monetêre beleid geregverdig sou wees. Gevolglik is die plaaslike bankkoers op 5 Januarie 1959 met $\frac{1}{2}$ persent verminder tot 4 persent, d.w.s. tot dieselfde peil waartoe die Bank van Engeland se bankkoers gedurende November die vorige jaar verminder is. Boonop het die Reserwebank sy koerse vir transaksies in staatseffekte met looptye van nie langer as een jaar nie en van tussen een en twee jaar, aangepas na onderskeidelik 3.875 en 4 persent, vergeleke met die vorige eenvormige koers van

4.125 persent vir alle looptye tot drie jaar. Geen verandering is egter aangebring in die geval van lang- en mediumtermynkoerse nie. Ná die verlaging van die bankkoers, het geldmarkrentekoerse afwaarts beweeg, en later het die handelsbanke gevolg deur hulle minimumkoers op oortrekkings vanaf 6.5 tot 6 persent te verminder, asook klein afwaartse aanpassings te maak in hulle koerse vir deposito's met drie en ses maande looptyd.

Behalwe die verlaging van die bankkoers, is die aanvullende reserwevereiste, wat reeds vanaf 8 persent in Oktober 1958 tot 6 persent in November daardie jaar verminder is, verder tot 4 persent in Februarie 1959 verslap, terwyl 'n aantal ander maatreëls ook deur die regering aangewend is teneinde uitbreiding in sekere sektore van die ekonomie aan te moedig.

Hierdie maatreëls, tesame met ander ekonomiese verwickelinge van beide buitelandse en binnelandse oorsprong, het hulle stempel op die gang van ekonomiese sake in die Unie gedurende 1959 afgedruk*.

A.—ALGEMENE TENDENSE.

PRODUKSIE EN WERKVERSKAFFING.

(a) *Landbou*

Skattings wat deur die Afdeling Ekonomie en Marke gemaak is (insluitende hersiene syfers vir vroeër jare) toon dat die brutowaarde van die Unie se landbouproduksie, wat afgeneem het vanaf £387 miljoen in 1956/57 tot £362 miljoen in 1957/58, toegeneem het tot ongeveer £364 miljoen in 1958/59.

Die betreklike klein toename van ongeveer £2 miljoen in die jaar geëindig Junie 1959, is toe te skryf aan die feit dat toenames in die opbrengs van 'n aantal produkte, soos bv. £6 miljoen in die geval van mielies en £4 miljoen in die geval van suikerriet, tot 'n groot mate geneutraliseer is deur 'n afname van ongeveer £11 miljoen in die opbrengs van wol, wat veroorsaak is deur 'n verdere daling in wolpryse. Die waarde van produksie van wol het nl. van ongeveer £48 miljoen in 1957/58 tot ongeveer £37 miljoen in 1958/59 afgeneem, alhoewel die fisiese volume van produksie toegeneem het vanaf 265 miljoen tot 273 miljoen lb.

Aangesien die prys van wol gedurende die tweede helfte van 1959 gestyg het, is dit waarskynlik dat, ook op 'n kalenderjaarbasis, die waarde van landbouproduksie 'n toename vanaf 1958 tot 1959 getoon het.

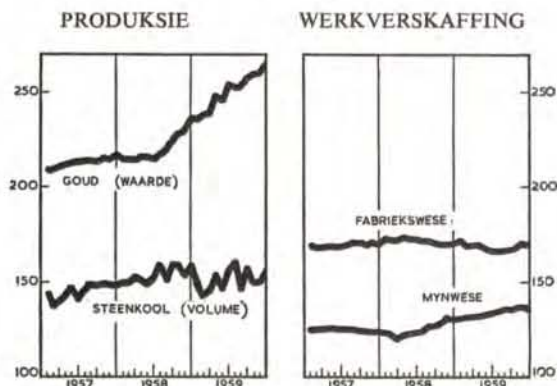
*Tensy anders aangedui, is al die indekse wat in hierdie oorsig vermeld word, op die basis 1948=100 gebaseer.

(b) *Mynwese*

Volgens voorlopige skattings het die totale waarde van minerale produksie in die Unie, met uitsluiting van steengroefprodukte maar met insluiting van uraanuitvoere*, tot die nuwe hoë peil van £384 miljoen in 1959 toegeneem, vergeleke met £331 miljoen in 1958 en £345 miljoen in 1957.

Die verdere toename van £33 miljoen in 1959 was hoofsaaklik die gevolg van 'n toename van £30 miljoen in die goudproduksie, nl. vanaf £220.0 miljoen in 1958 tot £250.1 miljoen in 1959, of vanaf 17.7 miljoen fyn onse tot 20.1 miljoen fyn onse. Uraanuitvoere het met ongeveer £4 miljoen gedaal, maar steenkool- en koperverkope het elk met ongeveer £1 miljoen toegeneem, terwyl die verkope van alle ander onedele en edele minerale met ongeveer £5 miljoen gestyg het.

Werkverskaffing in die mynwese het toegeneem vanaf 'n gemiddelde maandelikse indeks van 125 in 1958 tot 135 in 1959, en onderstaande grafiek toon dat die opwaartse beweging in die maandelikse indeks gedurende 1958, dwarsdeur die jaar 1959 voortgesit is.



Indeks (1948=100) — Aangesuiwer vir seisoenskommelings.

(c) *Fabriekswese*

Die gemiddelde maandelikse indeks van werkverskaffing in die private fabriekswese het afgeneem vanaf 172 in 1958 tot 168 in 1959, maar, soos deur onderstaande grafiek aangetoon word, het die maandelikse indeks 'n effense opwaartse neiging gedurende die tweede helfte van die jaar getoon, na die afwaartse beweging wat gedurende die voorgaande agtien maande waargeneem is. Ongelukkig is geen opdatum syfers van fabrieksproduksie beskikbaar nie.

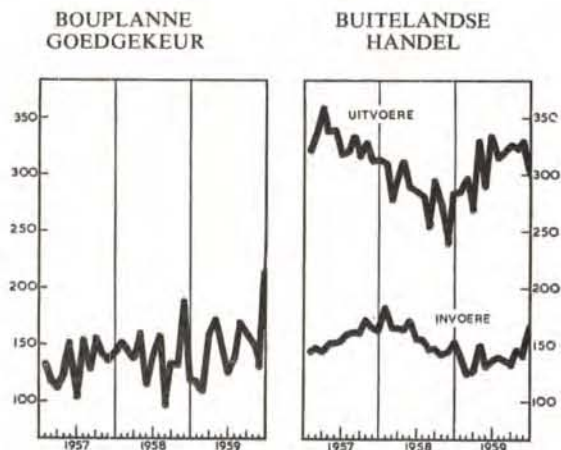
(d) *Elektrisiteit*

Elektriese stroom opgewek het 'n verdere opwaartse beweging gedurende 1959 getoon en die gemiddelde maandelikse indeks het gestyg tot 232, vergeleke met 216 in 1958 en 204 in 1957.

*Syfers vir die waarde van uraanproduksie is nie beskikbaar nie.

(e) *Boubedryf*

Die gemiddelde maandelikse indeks van bouplanne goedgekeur in die agtien vernaamste stede van die Unie, het verder tot 149 in 1959 gestyg, en onderstaande grafiek toon dat die tendens in die maandelikse indeks gedurende 1959 opwaarts was, vergeleke met 'n effens afwaartse neiging gedurende die vorige jaar. Aan die ander kant het die indeks van werkverskaffing in private konstruksie, uitgesonderd seisoenskommelings, wat gedaal het vanaf 148 in die eerste helfte van 1958 tot 140 in die tweede helfte, verder afgeneem tot 132 in die eerste helfte van 1959, maar toe tot 136 in die laaste helfte van die jaar gestyg.



Waardeindekse (1948=100) — Aangesuiwer vir seisoenskommelings.

BUITELANDSE HANDEL.

Terwyl die waarde van die Unie se invoere gedurende 1959 'n skerp afname getoon het, het die waarde van uitvoere aansienlik toegeneem. Ná aansuiwering vir betalingsbalansdoeleindes, toon die voorlopige handelsyfers dat goedere invoere, wat toegeneem het vanaf £558 miljoen in 1957 tot £567 miljoen in 1958, tot £499 miljoen in 1959 gedaal het, terwyl goedere uitvoere (uitgesonderd skeepsvoorrade), wat afgeneem het vanaf £446 miljoen tot £386 miljoen, gestyg het tot £427 miljoen, onderskeidelik.

Die afname van £68 miljoen in invoere in 1959 was hoofsaaklik die gevolg van 'n afname van £65 miljoen in die invoere van „metale, metaalfabrikate, masjinerie en voertuie” waarvan motorvoertuie, vliegtuie en onderdele vir £24 miljoen verantwoordelik was. Kleinere afnames van £5 miljoen en £4 miljoen het ook voorgekom onder die hoofde „tekstielware, klere, draad en vesels” en „hout en fabrikate daarvan”, onderskeidelik, maar dit is gedeeltelik geneutraliseer deur 'n toename van £7 miljoen in die invoere van „voedingsmiddels”. Uit bostaande grafiek kan gesien word dat, nie tekenstaande die daling in totale invoere in 1959, die maandelikse syfers 'n opwaartse tendens gedurende die jaar getoon

het, veral gedurende die laaste kwartaal, vergeleke met 'n skerp afwaartse beweging gedurende 1958.

Wat goedereuitvoere betref, het die styging van £41 miljoen in 1959 bestaan uit toenames van ongeveer £6 miljoen in heruitvoere en ongeveer £35 miljoen in uitvoere van Suid-Afrikaanse produkte. Laasgenoemde toename op sy beurt was hoofsaaklik die gevolg van toenames van £15 miljoen onder die hoof „diere en landbouprodukte” (waarvan woluitvoere vir sowat £10 miljoen verantwoordelik was), £16 miljoen onder „metale, metaalfabrikate, masjinerie en voertuie” en £9 miljoen onder „delfstowwe, erde- en glaswerk”. Teenoor hierdie en ander kleiner toenames, het daar 'n afname van ongeveer £13 miljoen in die uitvoer van „voedingsmiddels” voorgekom.

Soos die volgende tabel aantoon, is die stygings in waarde wat onder „diere en landbouprodukte”, en „delfstowwe, ens.”, aangeteken is, hoofsaaklik toe te skryf aan aansienlike toenames in die fisiese volume van sodanige uitvoere, terwyl die toename

Klas van uitvoere (S.A. produkte)	Persentasie-verandering van 1958 tot 1959		
	Waarde	Volume	Eenheids- prys
Diere en landbouprodukte	+22	+24	- 2
Delfstowwe, erde- en glaswerk	+18	+18	—
Metale, metaalfabrikate, masjinerie en voertuie	+12	—	+12
Voedsel, drank en tabak	-15	-14	- 1

in die waarde van „metale ens.” uitsluitlik die gevolg was van 'n toename in die gemiddelde prys wat behaal is. Die afname in die waarde in die geval van „voedsel, drank en tabak”, aan die ander kant, was hoofsaaklik te wyte aan 'n afname in die fisiese volume van uitvoere. Wat die styging van £35 miljoen, of ongeveer 10 persent, in die totale waarde van Suid-Afrikaanse produkte betref, toon voorlopige berekenings dat dit die gevolg was van toenames van ongeveer 7 persent in fisiese volume en ongeveer 3 persent in gemiddelde pryse.

Soos uit bostaande grafiek blyk, het die maandelike waardesyfers van uitvoere 'n skerp opwaartse neiging gedurende 1959 getoon, na die afwaartse beweging wat gedurende die vorige twee jaar aange-teken is.

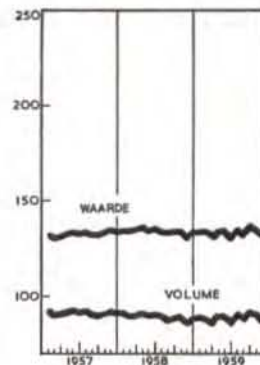
BINNELANDSE HANDEL.

Volgens die beskikbare indekse vir 'n aantal van die vernaamste stede in die Unie, het die waarde van kleinhandelsverkope min verandering getoon in 1959 vergeleke met 1958. Gesamentlike syfers vir die onderskeie stede toon nl. dat terwyl die neiging in die maandelike omsetindekse effens opwaarts was gedurende 1959 teenoor 'n effense afwaartse beweging gedurende die vorige jaar, die gemiddelde maandelike indeks vanaf 134.0 in 1958 tot slegs 134.3 in 1959 toegeneem het.

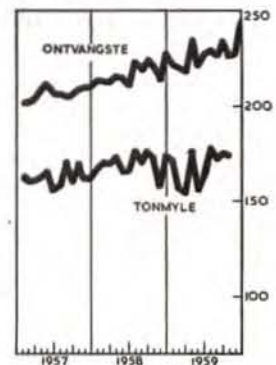
Geoordeel volgens die gegewens vervat in die „Opname in verband met die kleinhandel” wat deur die Buro vir Sensus en Statistiek in Januarie 1960

gepubliseer is, wil dit voorkom asof die indekssyfers hierbo aangehaal, die werklike toename wat in die waarde van kleinhandelsverkope in 1959 aangeteken is, onderskat.

**KLEINHANDELS-
VERKOPE**



S.A. SPOORWEE



Indekse (1948=100) — Aangesuiwer vir seisoenskommelings.

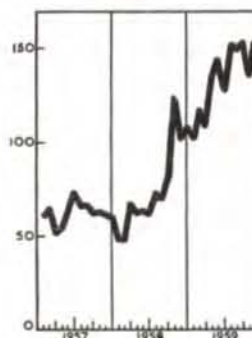
SPOORWEGVERVOER

Die maandelike indeks van spoorweginkomste wat in bostaande grafiek aangetoon word, het sy opwaartse beweging gedurende 1959 voortgesit en die gemiddelde maandelike indeks het gestyg tot 227, vergeleke met 218 in 1958 en 207 in 1957. Insgelyks het die indeks van tonmyle van inkomstetraande verkeer verder in 1959 toegeneem.

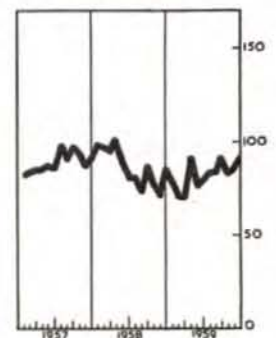
AANDELEBEURSTRANSAKSIES

Die skerp opwaartse beweging in effektebeursomsette tydens die tweede helfte van 1958 is gedurende 1959 voortgesit, veral gedurende die eerste drie kwartale van die jaar, en die gemiddelde maandelike indeks het tot nie minder as 135 gestyg nie, vergeleke met 76 in 1958 en 63 in 1957. Gepaard met die verhoogde omset, het die aandeleprysindeks van produserende goudmyne gestyg vanaf 65 in 1958 tot 87 in 1959, wat die hoogste maandelike gemiddelde syfer is wat sedert 1952 aangeteken is. Die prysindeks van industriële aandele het ook verder toegeneem, ofskoon teen 'n baie stadiger koers, nl. vanaf 59 in 1958 tot 62 in 1959.

**EFFEKTEBEURS-
OMSET**



**VASTE EIENDOMS-
TRANSAKSIES**



Waardeindekse (1948=100) — Aangesuiwer vir seisoenskommelings.

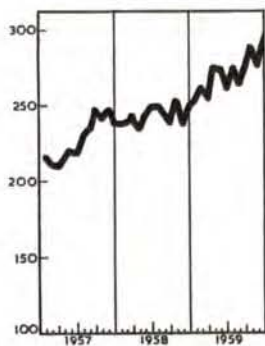
TRANSAKSIES IN VASTE EIENDOM.

Nadat daar 'n afwaartse beweging gedurende 1958 was, het die maandelikse indekssyfers van die waarde van eiendomstransaksies (uitgesonderd regeringstransaksies) 'n opwaartse beweging gedurende 1959 getoon, soos uit die betrokke grafiek hierbo gesien kan word. Die gemiddelde maandelikse indeks was in 1959 egter nog laer as in 1958, nl. 82 vergeleke met 86.

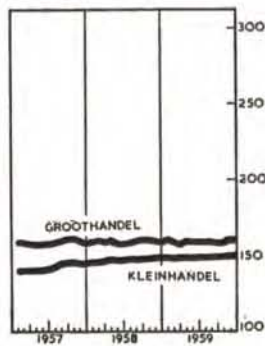
BANKDEBETTE.

Die indeks van bankdebette, wat alle debette teen lopende rekeninge in banke in die Unie dek, uitgesonderd Regeringsrekeninge, het vanaf 244 in 1958 tot 271 in 1959 gestyg, d.w.s. met ongeveer 11 persent vergeleke met 'n toename van slegs ongeveer 7 persent vanaf 1957 tot 1958. Soos uit bostaande grafiek opgemerk sal word, het die maandelikse indeks 'n duidelike opwaartse neiging gedurende 1959 getoon, terwyl in 1958 die tendens gedurende die eerste helfte van die jaar opwaarts, en toe gedurende die tweede helfte effens afwaarts was.

BANKDEBETTE



PRYSE



Indekse (1948=100)

GOEDEREPRYSE.

Groothandelspryse het gedurende 1958 relatief stabiel gebly en die gemiddelde maandelikse indeks (alle goedere) het in werklikheid effens gedaal vanaf 160.0 in 1958 tot 159.8 in 1959. Die effense daling in 1959 was die netto resultaat van 'n klein toename in die indeks vir invoergoedere en 'n effense afname in dié vir Uniegoedere.

In die geval van kleinhandelspryse het die gemiddelde maandelikse indeks verder gestyg vanaf 148.5 in 1958 tot 150.2 in 1959, d.w.s. met slegs 1.2 persent, vergeleke met 'n styging van 3.5 persent vanaf 1957 tot 1958. Bostaande grafiek toon dat die maandelikse indekse hul effense opwaartse beweging dwarsdeur die jaar 1959 voortgesit het.

Wat landboupryse betref, is die afwaartse beweging in 1958 gedurende die eerste kwartaal van 1959 voortgesit. Daarna het die indeks na 'n hoër peil in April beweeg, en toe in September verder gestyg en in Desember 1959 op 139 te staan gekom, vergeleke met 125 in Desember 1958. Die gemiddelde maandelikse indeks het, nadat dit gedaal het vanaf 157 in 1957 tot 130 in 1958, effens toegeneem tot 131 in 1959.

Die gewegde gemiddelde prys van alle tipes wol, uitgedruk in sjelings per lb., wat afgeneem het vanaf 4.92 in September 1957 tot 2.61 in Desember 1958, het toegeneem tot 2.94 in April en 3.78 in September 1959, waarna dit effens gedaal het tot 3.61 in Desember.

B.—NASIONALE REKENINGE.

Volgens die jongste skattings gepubliseer deur die Buro vir Sensus en Statistiek, wat op die jare geëindig 30 Junie betrekking het, het die Unie se totale geografiese inkome verder vanaf £1,986 miljoen in 1957/58 tot £2,027 miljoen in 1958/59 gestyg, terwyl die netto volksinkome, d.w.s. ná aftrekking van inkome wat aan nie-Unieproduksiefaktore toekom, vanaf £1,757 miljoen tot £1,798 miljoen toegeneem het.

Die toename van ongeveer £41 miljoen in die geografiese inkome in 1958/59 het plaasgevind nie teenstaande afnames van £9 miljoen onder „handel” en £3 miljoen onder elk van „landbou” en „privaat fabriekswese”, en is veroorsaak deur toenames onder byna al die ander hoofde van inkome, insluitende toenames van £16 miljoen onder „goudmyne” en £15 miljoen onder „openbare owerhede”, d.w.s. inkome van openbare owerhede uitgesonderd sake-ondernemings.

Op 'n kalenderjaarbasis toon voorlopige ramings wat deur die Reserwebank gemaak is, dat die Unie se bruto volksproduksie teen markpryse met ongeveer £80 miljoen in 1959 gestyg het, of met 3.5 persent, vergeleke met 'n toename van ongeveer 3.8 persent in 1958. Indien veranderinge in die kleinhandelsprysindeks in aanmerking geneem word, beteken dit dat die *reële* bruto volksproduksie met ongeveer 2.3 persent in 1959 gestyg het teenoor 0.3 persent in die vorige jaar.

Aan die uitgewekant van die nasionale rekeninge is die aanduidings dat bruto binnelandse besparing, wat in 1958 afgeneem het, aansienlik gestyg het in 1959, terwyl daar 'n kleiner toename in verbruik was. Bruto binnelandse kapitaalvorming, daarenteen, het aansienlik afgeneem* hoofsaaklik weens 'n afname in private belegging, maar ook as gevolg van 'n daling in belegging deur openbare owerhede. Terwyl die grootste gedeelte van die afname in private belegging bestaan het uit 'n daling in belegging in voorrade, is die afname in belegging deur openbare owerhede byna uitsluitlik toe te skryf aan 'n daling in die belegging van die Suid-Afrikaanse Spoorweë en Hawens.

C.—BETALINGSBALANS.

Die uitstaande kenmerk van die Unie se betalingsbalans gedurende 1959 was 'n buitengewone groot

*Terwyl bruto binnelandse kapitaalvorming in 1958 bruto binnelandse besparing oorskry het met die oorskot van £74 miljoen op die kapitaalrekening van die Unie se betalingsbalans, was dit in 1959 £70 miljoen minder as bruto binnelandse besparing weens 'n netto uitvloeï van kapitaal van £30 miljoen en 'n toename in die Unie se goud- en buitelandse valutareserwes van £40 miljoen.

netto lopende oorskot, wat nie alleen ruimte gelaat het vir aansienlike terugbetalings van buitelandse skuld nie, maar ook vir 'n noemenswaardige styging in die land se goud- en buitelandse valutareserwes.

Soos aangedui onder die bespreking van buitelandse handel hierbo, het goedereinvoere gedaal van £567 miljoen in 1958 tot £499 miljoen in 1959, of met £68 miljoen, terwyl goedereuitvoere gestyg het van £386 miljoen tot £427 miljoen, of met £41 miljoen. Benewens hierdie verbetering van £109 miljoen in die handelstekort in 1959, het die Unie se netto goudproduksie met byna £32 miljoen gestyg, terwyl daar terselfdertyd 'n afname van ongeveer £6 miljoen in netto lopende onsigbare betalings was. Dus het die totale netto saldo op lopende rekening 'n verbetering van nie minder nie as £147 miljoen getoon, nl. vanaf 'n tekort van £74 miljoen in 1958 tot 'n oorskot van ongeveer £73 miljoen in 1959.

Teenoor hierdie netto lopende oorskot van ongeveer £73 miljoen in 1959, het die Unie se goud- en buitelandse valutareserwes met ongeveer £40 miljoen gestyg, wat 'n netto uitvloeï van kapitaal in alle vorms van ongeveer £33 miljoen aandui. Van hierdie totale netto uitvloeï is dit bekend dat offisiële en bankinstellings vir £15 miljoen verantwoordelik was, en dit laat 'n bedrag van £18 miljoen vir die netto uitvloeï van private kapitaal, met inbegrip van weglatings en foute in die skattings.

Betreffende die kapitaalbewegings van offisiële en bankinstellings, het netto ontvangste van buitelandse langtermynlenings deur die Unieregering £14.9 miljoen bedra (waarvan £8.8 miljoen netto trekkings ingevolge die I.B.H.O. lenings verteenwoordig), terwyl Eskom 'n netto bedrag van £2.1 miljoen ingevolge buitelandse lenings wat deur die Regering gewaarborg is, ontvang het. Aan die ander kant het die handelsbanke se buitelandse langtermynlaste met £1.7 miljoen gedaal, sodat die totale netto ontvangste van buitelandse langtermynfondse ongeveer £15 miljoen bedra het. Hierdie netto ontvangste van buitelandse langtermynfondse is egter meer as gewenaar deur (1) die terugbetaling deur die Regering van sy skuld van £13 miljoen aan die Internasionale Monetêre Fonds, (2) die betaling aan dieselfde organisasie van ongeveer £5 miljoen, wat die gedeelte van die Unie se verhoogde kwota wat in goud betaalbaar is, verteenwoordig, (3) die terugbetaling deur die Reserwebank en die handelsbanke van ongeveer £10 miljoen buitelandse korttermynskuld, en (4) 'n toename van £2 miljoen in die handelsbanke se buitelandse langtermynbates.

Wat die oorblywende bedrag van £18 miljoen t.o.v. die netto uitvloeï van private kapitaal betref, dui voorlopige resultate verkry uit die 1959 „Opname van Buitelandse Transaksies, Laste en Bates" 'n netto uitvloeï van £21 miljoen aan, wat dus 'n onbepaalbare netto toevloeï van £3 miljoen laat. Van die bepaalbare netto uitvloeï van £21 miljoen, het ongeveer £10 miljoen 'n netto uitvloeï van private Unie-inwonerfondse verteenwoordig, wat hoofsaaklik bestaan het

uit 'n vloeï van regstreekse beleggingsfondse na die Federasie van Rhodesië en Njassaland. Die saldo van die bepaalbare netto uitvloeï, naamlik £11 miljoen, het die netto uitvloeï van private buitelandse kapitaal verteenwoordig, wat plaasgevind het as 'n resultaat van netto aankope deur Unie-inwoners vanaf buitelanders van ongeveer £20 miljoen se effekte op die Johannesburgse Effektebeurs genoteer, en 'n netto uitvloeï van £7 miljoen onregstreekse kapitaalbeleggingsfondse (uitgesonderd transaksies in genoteerde effekte), teenoor 'n netto toevloeï van £16 miljoen in die vorm van regstreekse kapitaalbeleggingsfondse (ook uitgesonderd transaksies in genoteerde effekte). Van laasgenoemde bedrag, wat betrekking het op nuwe belegging wat buitelandse firmas in takke en filiale in die Unie aangegaan het, het nie minder nie as £8 miljoen beleggings verteenwoordig in nuwe maatskappye wat gedurende 1959 opererig is.

D.—MONETÊRE EN FINANSIËLE VERWIKKELINGE. GELD- EN BANKWESE.

Die likwiede bates van die binnelandse private sektor by die banksektor, wat in 1958 met £11 miljoen gedaal het, het gedurende 1959 met £42 miljoen gestyg. Van hierdie toename kan £20 miljoen toegeskryf word aan 'n toename in hul besit aan geld en £22 miljoen aan 'n toename in hul besit aan rentedraende deposito's of sekondêre likwiede middele.

Soos uit onderstaande tabel blyk, het die skerp toename gedurende 1959 in die private sektor se likwiede bates by die banksektor plaasgevind nie-teenstaande 'n toename van £25 miljoen in Regeringsdeposito's, en was dit hoofsaaklik toe te skrywe aan 'n styging van £48 miljoen in die netto goud- en buitelandse valutareserwes van die banksektor, wat gepaard gegaan het met die gunstige betalingsbalans. 'n Verdere belangrike meewerkende faktor was egter

VERANDERING IN DIE LASTE EN BATES VAN DIE BANKSEKTOR¹. (£ miljoen).

	1958	1959
Geldhoeveelheid ²	- 9	+20
Rentedraende deposito's ²	- 2	+22
Totaal	-11	+42
Netto goud- en buitelandse valutareserwes ³	- 1	+48
Eise teen Regering	+ 4	- 2
Regeringsdeposito's ⁴	- 3	-25
Netto eise teen plaaslike regerings	+ 1	- 2
Eise teen private sektor	-13	+15
Onverdeelde poste	+ 1	+ 8
Totaal	-11	+42

¹Met insluiting van die Nasionale Finansiële Korporasie.

²In besit van die binnelandse private sektor, d.w.s. met uitsluiting van deposito's van die Regering, plaaslike regerings, en buitelanders.

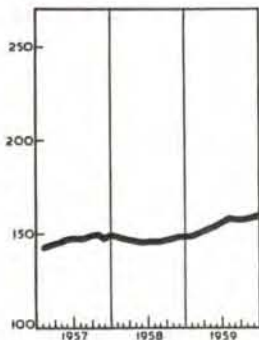
³Goud- en buitelandse valutareserwes minus korttermyn buitelandse laste.

⁴Toename -, afname +.

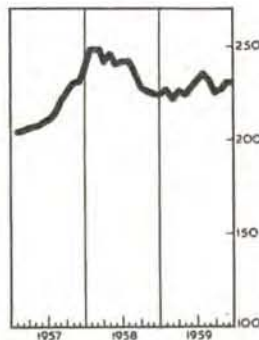
'n toename van £15 miljoen in bankkrediet wat aan die private sektor verskaf is.

Die redes vir die styging van £25 miljoen in Regeringsdeposito's gedurende 1959 word hieronder in meer besonderhede behandel onder die hoof „Geldmark“, maar hier moet gemeld word dat 'n gedeelte van die styging in verband gebring kan word met 'n toename in die likwiede bates van die private sektor by die Regeringssektor. Alhoewel die private sektor se besit aan belastingdelingsertifikate geen verandering getoon het gedurende 1958 en 1959 nie, het hierdie sektor se besit aan skatkisbewyse toegeneem met £8 miljoen gedurende 1959, vergeleke met 'n styging van £10 miljoen gedurende 1958. Die totale likwiede bates van die private sektor by die bank- en Regeringssektors (sien ook die grafiek hieronder) het dus met £50 miljoen gedurende 1959 toegeneem teenoor 'n afname van £1 miljoen gedurende 1958, en op £766 miljoen aan die end van 1959 te staan gekom. Op dieselfde datum het die handelsbanke ook nog steeds in 'n baie likwiede posisie verkeer met 'n verhouding van likwiede bates tot verpligtings teenoor die publiek van 49 persent. Hulle totale likwiede bates het met £20 miljoen gedurende die jaar toegeneem, vergeleke met £11 miljoen gedurende 1958.

LIKWIEDE BATES VAN DIE PRIVATE SEKTOR



HANDELSBANKE: DISKONTERINGE EN VOORSKOTTE



Waardeindekse (1948=100) — Aangesuiwer vir seisoenskommelings.

Wat betref die toename van £15 miljoen gedurende 1959 in bankkrediet aan die private sektor verskaf, verteenwoordig £10 miljoen 'n toename in diskonteringe en voorskotte van die handelsbanke, wat gedurende 1958 met £18 miljoen afgeneem het. Soos uit die grafiek hierbo gesien kan word, het hierdie diskonteringe en voorskotte ietwat geskommel gedurende 1959 maar 'n effense opwaartse tendens getoon in vergelyking met 'n duidelike afwaartse beweging gedurende die vorige jaar.

GELDMARK.

Soos hierbo aangetoon, het die gunstige betalingsbalans van die Unie gedurende 1959 gepaard gegaan met 'n aansienlike toename in die likwiede middele

van die bank- en die private sektors. Dit het 'n sterk vraag laat ontstaan na bates waarin fondse belê kan word, met die gevolg dat geldmarkrentekoerse 'n afwaartse neiging gedurende die jaar getoon het.

Die toevoeging tot likwiede fondse wat deur die styging in die Reserwebank se netto goud- en buitelandse valutareserwes teweeggebring is, het £43 miljoen gedurende die jaar beloop. Uit onderstaande tabel blyk dat £5 miljoen van hierdie bedrag opgeneem is deur „diverse“ poste, wat hoofsaaklik te wyte was aan 'n toename in die handelsbanke se vereiste

VERANDERING IN LASTE EN BATES VAN DIE RESERWEBANK. (£ miljoene).

Verandering in toestand van geldmark:

A.—DIE AANDUIDINGS:

Afname (+) in netto beroep op Reserwebank deur:	1958	1959
Handelsbanke	+ 5	+ 2
N.F.K.	+10	+ 9
Diskonterings- en aksepteringshuise	—	+ 1
Totale verruiming (+) of vernouing (—) van geldmark	+15	+12

B.—DIE OORSAKE:

Netto goud- en buitelandse valutaat†	+14	+43
Krediet aan Regering	+ 9	— 3
Regeringsdeposito's*	— 3	—25
Netto eise teen plaaslike regerings	— 2	+ 2
Banknote in omloop*	— 1	—
Diverse oorsake	— 2	— 5
Totaal	+15	+12

reserwes by die Reserwebank, as gevolg van 'n styging in hulle laste teenoor die publiek, terwyl 'n netto bedrag van £12 miljoen gebruik is deur die handelsbanke, die Nasionale Finansiële korporasie en die diskonterings- en aksepteringshuise vir terugbetaling van skuld aan die Reserwebank, wat 'n verruiming van die geldmark tot daardie mate aantoon. Die balans van £26 miljoen, tesame met 'n netto verskaffing van krediet van £2 miljoen deur die Reserwebank aan plaaslike regerings, verteenwoordig die oorskot van fondse wat deur die Unieregering gesteriliseer is. Die deposito's van die Regering by die Reserwebank het nl. met £25 miljoen gestyg terwyl sy skuld aan die Bank met £3 miljoen verminder is.

Van die styging van £25 miljoen in Regeringsdeposito's word £9 miljoen verteenwoordig deur 'n toename in die Betaalmeester-generaal se rekening, te wyte aan 'n netto aflossing deur die Skatkis van skatkisbewyse gehou deur die Betaalmeester-generaal. Die res van die toename, nl. £16 miljoen, het in die Skatkisrekening voorgekom, aangesien ander Regeringsrekenings by die Reserwebank geen verandering oor die jaar getoon het nie.

†Goud- en buitelandse valutareserwes minus korttermyn buitelandse laste.

*Toename —, afname +.

Uit onderstaande tabel blyk dat, afgesien van lenings en aflossings, die Skatkis se tekort gedaal het van £94 miljoen in 1958 tot £56 miljoen in 1959, of met £38 miljoen, hoofsaaklik as gevolg van 'n toename van £35 miljoen in ontvangste op inkomsterekening. Teenoor die tekort van £56 miljoen in 1959, het netto lenings £72 miljoen bedra. Soos reeds aangetoon, het die Skatkis sy skuld by die Reserwebank en die Betaalmeester-generaal met £3 miljoen en £9 miljoen onderskeidelik verminder. Van die oorblywende totale netto lenings, nl. £84 miljoen, is £74 miljoen van die Staatskuldkommissaris se verkry, £8 miljoen van ander plaaslike bronne en £2 miljoen van die buiteland.

ONTVANGSTE EN BETALINGS VAN DIE SKATKIS. (£ miljoene).

Ontvangste (met uitsluiting van lenings):	1958	1959
(1) Op inkomsterekening:		
Doeane en aksyns	86	97
Poskantoor	31	37
Binnelandse inkomste	191	209
Totaal	308	343
(2) Leningsverhalings	16	18
(3) Ander ontvangste	23	31
(4) Totale ontvangste	347	392
Betalings (met uitsluiting van aflossings):		
(1) Op Inkomsterekening	283	294
(2) Leningsdienste	135	126
(3) Ander betalings	23	28
(4) Totale betalings	441	448
Surplus van betalings (-)	-94	-56
Netto lenings	+94	+72
Verandering in Skatkisbalans	—	+16

Die onttrekking van fondse in omloop deur die Regering het hoofsaaklik gedurende die derde en vierde kwartale van die jaar plaasgevind* (toe die Reserwebank se goud- en buitelandse valuta-reserwes aansienlike stygings getoon het), en derhalwe die uitwerking gehad om enige drastiese afname in geldmarkrentekoerse gedurende genoemde tydperke te voorkom. Soos egter uit onderstaande tabel blyk, het geldmarkrentekoerse, nadat hulle geleidelik gedurende die eerste nege maande van die jaar afgeneem het (die afname in die eerste kwartaal het gevolg op die verlaging van die plaaslike Bankkoers), 'n meer opvallende daling gedurende Oktober en November getoon. Dit was te wyte aan die feit dat die netto immobilisasie van fondse deur die Regering gedurende die vierde kwartaal van die jaar hoofsaaklik in Desember plaasgevind het, toe die netto toename in Regeringsdeposito's by die Reserwebank† £15 miljoen bedra het, vergeleke met £2 miljoen in Oktober en £1 miljoen in November.

*Gedurende die derde kwartaal het die immobilisasie grootliks as gevolg van netto lenings plaasgevind, en in die vierde kwartaal hoofsaaklik weens die seisoenstoename in belastingontvangste.

†d.w.s. die toename in Regeringsdeposito's minus krediet verskaf aan die Regering deur die Reserwebank.

GELDMARKRENTEKOERSE

End	Tenderkoers op skatkis- bewyse	Daggeldkoers: Discount House of South Africa	N.F.K. koers op daggeld
1958—Des.	3.679	3.625	3.500
1959—Mrt.	3.538	3.500	3.375
Jun.	3.479	3.350	3.225
Sep.	3.417	3.300	3.175
Nov.	3.258	3.125	3.000
Des.	3.325	3.250	3.075

E.—BESLUIT.

Terwyl die uitstaande kenmerk van ekonomiese verwickelinge in die Unie gedurende 1959 die aansienlike verbetering in die betalingsbalans was, het 'n aantal betekenisvolle veranderinge ook in die binnelandse ekonomiese toestand sigbaar geword.

Gereken op 'n gemiddelde maandelikse basis, het meeste van die waarde-reeks hierbo aangehaal, met die opvallende uitsondering van invoere*, in 1959 stygings getoon, waarvan die belangrikste in sulke basiese indekse soos uitvoere, goudproduksie en bankdebette aangeteken is. Bowendien het voorlopige ramings verdere toenames gedurende 1959 aangedui in die bruto volksproduksie en in verbruik, sowel as 'n aansienlike toename in bruto binnelandse besparing, wat in die voorafgaande jaar gedaal het. Aan die ander kant is gevind dat bruto binnelandse kapitaalvorming 'n aansienlike daling getoon het, en terwyl dit in hoofsaak te wyte is aan afnames in belegging in voorrade (wat saamhang met die daling in invoere), en in belegging deur die Suid-Afrikaanse Spoorweë en Hawens, bestaan daar aanduidings dat private belegging in vaste bates ook gedurende die jaar effens gedaal het.

Die toename gedurende 1959 in die totale geldelike omvang van die Unie se ekonomiese bedrywigheid het met 'n relatiewe stabiele pryspeil gepaard gegaan en sodoende ook 'n toename in die fisiese omvang van bedrywigheid aangedui. So is daar byvoorbeeld gevind dat die reële bruto volksproduksie teen markpryse met ietwat meer as 2 persent gestyg het, vergeleke met 'n toename van minder as ½ persent in 1958.

Indien aandag nou geskenk word aan die inligting beskikbaar op 'n maandelikse basis, wil dit voorkom asof die algemene verslapping in besigheidstoestande gedurende die tweede helfte van 1958 tot in die eerste helfte van 1959 voortgeduur het, maar asof neigings tot ekonomiese uitbreiding teen die middel van die jaar op die voorgrond getree het. Vir die tweede helfte van die jaar dui die beskikbare inligting op 'n geleidelike maar bestliste herstel, alhoewel dit wil voorkom asof fabrieksbedrywigheid in hierdie opsig nog gesloer het.

Die verbetering in ekonomiese toestande in die Unie gedurende 1959 moet tot 'n groot mate in ver-

* Geoordeel volgens die beskikbare indekse van werkskaffing, het die waarde van fabrieksproduksie moontlik ook gedaal.

band gebring word met die aansienlike toename in uitvoere en in mynbedrywigheid. Die toename in uitvoere, tesame met die aansienlike styging in die goudproduksie, het ook 'n belangrike rol gespeel in die buitengewone verbetering wat in die land se netto saldo op lopende rekening met die buitewêreld ingetree het. Hierdie verbetering het ruimte gelaat vir aansienlike terugbetalings van buitelandse skuld, sowel as 'n aansienlike toename in die goud- en buitelandse valutareserwes.

Die gunstige betalingsbalans in 1959 het gepaard gegaan met 'n aansienlike toename in die likwiditeit van die banke en die private sektor, en dit het 'n sterk aanvraag geskep na bates waarin surplus fondse belê kan word. Bowendien is die plaaslike bankkoers vroeg in die jaar verlaag, sodat rentekoerse op die geldmark geneig het om te daal. Die netto daling in hierdie koerse was egter relatief klein oor die jaar

weens die sterilisasie van oorskotfondse deur die Regering, soos weerspieël in 'n aansienlike toename in laasgenoemde se netto saldo op lopende rekening by die Reserwebank.

In die lig van die verwickelinge hierbo beskryf, is die oorblywende aanvullende reserwevereistes vroeg in 1960 opgehef. Later het die Minister van Finansies in sy begrotingsrede 'n aantal belastingverminderinge en ander maatreëls aangekondig wat gemik is op 'n verdere stimulasie van binnelandse ekonomiese ontwikkeling deur die skepping van toestande wat gunstig is vir toenames in sowel private belegging as verbruik.

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