

REVIEW OF ECONOMIC CONDITIONS IN THE UNION IN 1960

It will be recalled from earlier reviews that following the adoption of monetary and fiscal measures in the year 1958, the Union's balance of payments showed a considerable improvement in the second half of that year, when also a substantial net inflow of capital was experienced, associated with the decline in interest rates and the easing of the credit squeeze in the United Kingdom at the time. This improvement in the balance of payments was, however, accompanied by a noticeable slowing down of internal economic activity, for which a major reason was the continuation of a downward movement in the value of merchandise exports, due to a further decline in overseas raw material prices.

At the beginning of 1959, therefore, it was felt that an easing of monetary policy would be justified, and the first steps in this direction were taken on the 5th January, when the local Bank rate was reduced by $\frac{1}{2}$ per cent to 4 per cent (which equalled the Bank of England rate at the time), and the Reserve Bank reduced its short-term rates for transactions in Government securities. Subsequently, money market interest rates moved downwards, while the commercial banks reduced their minimum overdraft rate from $6\frac{1}{2}$ to 6 per cent, and made small downward adjustments in their rates for three and six months' deposits. In addition to lowering the Bank rate, the supplementary reserve requirements for the commercial banks were reduced from 6 to 4 per cent in February, while a number of other expansionist measures were taken by the Government with a view to stimulating development in certain branches of the economy. As a result of these various measures, but also due to a sharp reversal of the downward movement in merchandise exports, as well as a substantial increase in the gold output, the internal economy showed a gradual but distinct recovery during the second half of 1959. Moreover, an exceptional improvement occurred in the country's net current account balance with the outside world, allowing for substantial repayments of foreign debt, as well as a considerable increase in the gold and foreign exchange reserves.

In the light of these developments, it was decided towards the end of 1959 to suspend the remaining supplementary reserve requirements for the commercial banks, while in the March, 1960 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. Towards the end of March, however, the riots which occurred in certain Bantu townships in the Union, caused the Government to declare a state of emergency which lasted until September, and this development, as well as developments in the

Congo and other African states later in the year, influenced the course of the Union's economic activity in 1960, as indicated in the ensuing discussion. Moreover, the Union had to face a credit squeeze and high money rates in the United Kingdom after the Bank of England rate, which had been increased to 5 per cent in January, 1960, was raised further to 6 per cent in June. This position eased later in the year, after the local Bank rate had been raised to $4\frac{1}{2}$ per cent in August, and the Bank of England rate reduced to $5\frac{1}{2}$ and then to 5 per cent in October and December, respectively.

A. GENERAL TENDENCIES PRODUCTION AND EMPLOYMENT

(a) Agriculture:

According to estimates made by the Division of Economics and Markets, which refer to years ending June, the Union's gross value of agricultural production increased to R779 million in 1959/60, compared with R724 million in 1958/59. The increase of R55 million in 1959/60 was largely accounted for by increases of about R20 million in the wool output and R11 million in the production of maize.

Turning to a calendar year basis, a somewhat different picture is revealed. The value of the wool output was, namely, smaller in the first and second halves of 1960 than in the corresponding halves of 1959, indicating a substantial decline for the year 1960 as a whole. Mainly for this reason, the Division estimates that the gross value of agricultural production increased by only a relatively small amount from 1959 to 1960.

(b) Mining:

The total value of mineral production in the Union, excluding quarry products, rose to the new record level of R829 million in 1960, compared with R765 million in 1959 and R705 million in 1958.

Of the further increase of R64 million in 1960, the gold output accounted for R36 million, rising from R500 million (20.1 million fine ounces) in 1959 to R536 million (21.4 million fine ounces) in 1960. Coal sales rose by about R6 million, and copper and diamond sales by about R3 million each, while all other base and precious minerals combined showed an increase of about R17 million.

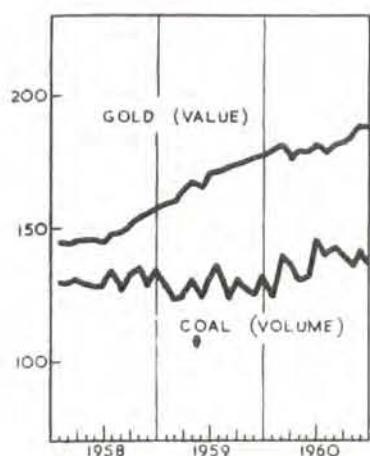
As will be seen from the chart below, mining employment tended to decline slightly during the first half of 1960, but increased again during the second half of the year. The average monthly index rose from 120 in 1959 to 121 in 1960.*

(c) Manufacturing:

After showing an upward tendency during the

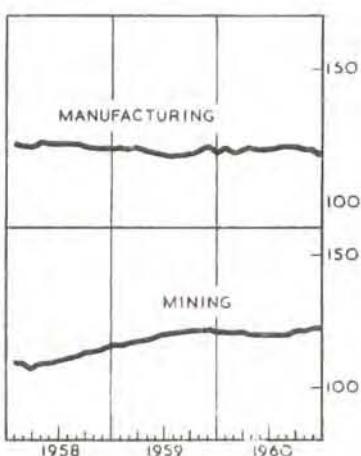
* It should be noted that, unless otherwise stated, all indices quoted in this review refer to the new base 1953 = 100.

PRODUCTION



Indices (1953 = 100) — Seasonally adjusted.

EMPLOYMENT



second half of 1959, private manufacturing employment remained relatively constant during 1960, and the average monthly index rose slightly from 119 in 1959 to 120 in 1960. Judging also by the available national income figures discussed below, the value of manufacturing output was higher in 1960 than in 1959.

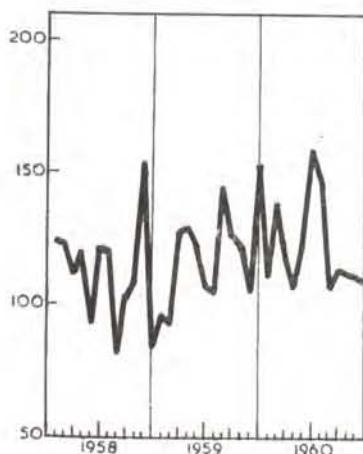
(d) *Electricity:*

The average monthly index of electric current generated rose further to 173 in 1960, compared with 162 in 1959, and the tendency in the monthly indices was upward throughout 1960.

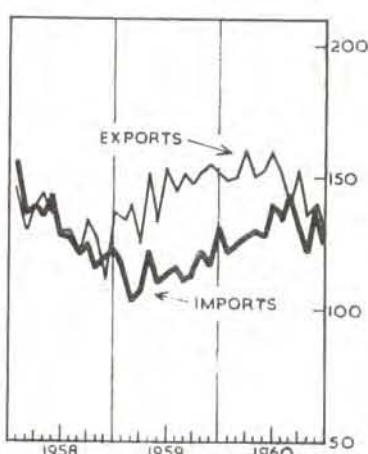
(e) *Building and Construction:*

While the average monthly index of building plans passed in the eighteen principal cities in the Union increased slightly further from 120 in 1959 to 121 in 1960, it would appear from the chart below that, following the upward tendency in the monthly indices during 1959, there was little change in the trend during the first half of 1960, but a downward movement during the second half of the year. On the other hand, the seasonally adjusted index of employment in private construction, which had increased from 103 in the first half of 1959 to 105 in the second half, declined slightly to 104 in the first half of 1960, but then increased to 108 in the second half. The latter increase apparently reflects an increase in building activity, following the high level of building plans passed during the first half of the year.

BUILDING PLANS PASSED



FOREIGN TRADE



Value indices (1953 = 100) — Seasonally adjusted.

FOREIGN TRADE

Preliminary trade figures, after adjustment for balance of payments purposes, indicate that the Union's imports of merchandise rose from R998 million in 1959 to R1,131 million in 1960, while merchandise exports increased from R864 million to R870 million, respectively.

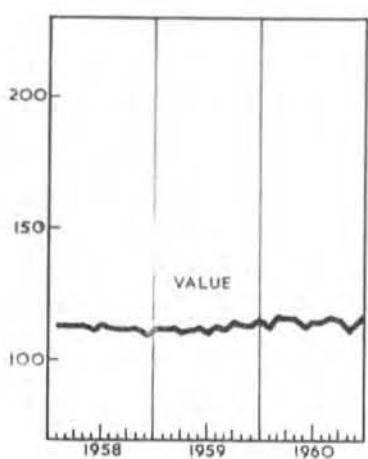
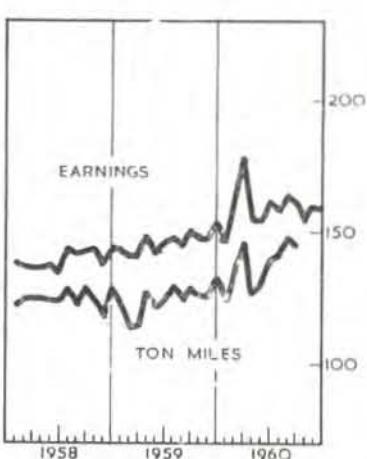
The substantial increase of R133 million in total imports in 1960 was principally the result of an increase of about R82 million in the imports of "Metals, metal manufactures, machinery and vehicles" (of which motor vehicles, aircraft and parts accounted for R46 million), and an increase of R31 million in the imports of "Textiles, apparel, yarns and fibres". Under all the other main classes of imports smaller increases were registered, except under "Food, drink and tobacco" which declined by about R6 million. From the chart above it will be seen that the upward trend in imports during 1959 was continued during the first eight months of 1960, but that during the last four months of 1960 the tendency was downward.

In the case of merchandise exports, the increase of R6 million in 1960 was the net result of an increase of about R8 million in re-exports, and a small decline of about R2 million in the exports of South African produce. This decline in South African produce exported was mainly accounted for by decreases of about R10 million in wool exports, R6 million in the exports of other agricultural products, and about R9 million in diamond exports, i.e. after correcting the latter for changes in diamond stocks held abroad. On the other hand, increases were registered in the exports of a large number of products, notably those of nearly R17 million in the exports of "Food, drink and tobacco", and R8 million in the exports of "Metals, machinery, etc.". The chart above shows that while the value of merchandise exports continued to increase during the first half of 1960, a sharp downward tendency occurred during the second half of the year.

Trade indices recently published by the Bureau of Census and Statistics, show that the increase in the total value of merchandise exports in 1960 was accounted for by an increase in the physical volume of exports, as a decline was registered in the average price per unit of export. The quarterly indices indicate, however, that both the physical volume and the average price realized declined during the second half of the year.

INTERNAL TRADE

The available index of the value of retail sales in a number of the principal cities in the Union rose further to 115 in 1960, compared with 113 in 1959. However, for reasons mentioned in earlier reviews, it is likely that the increase reflected by this index represents an understatement of the actual rise recorded in retail sales in 1960.

RETAIL SALES**S.A. RAILWAYS**

Indices (1953 = 100) — Seasonally adjusted.

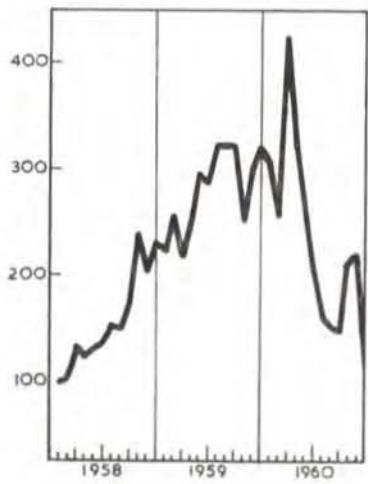
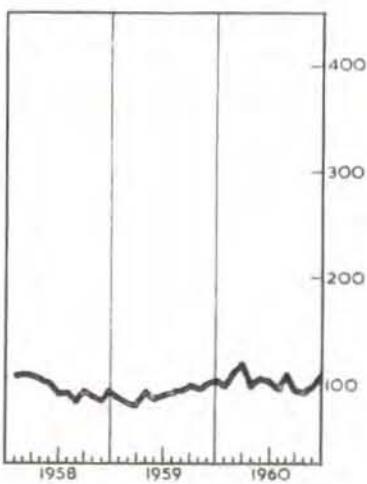
RAILWAY TRANSPORTATION

As will be seen from the chart above, railway earnings showed a strong upward trend during the first nine months of 1960, but then declined somewhat in the fourth quarter. This decline coincided with the decreases registered in both imports and exports. The average monthly index of railway earnings, which had increased from 140 in 1958 to 146 in 1959, jumped to 159 in 1960.

STOCK EXCHANGE TRANSACTIONS

The seasonally adjusted index of stock exchange turnover, which had shown a strong upward tendency during 1958 and 1959, jumped to a peak in March, 1960, and then declined sharply during the following six months. Subsequently, during October and November it increased fairly substantially, but decreased again during December. The increase in turnover in March, 1960, was mainly due to selling by overseas investors, and was, therefore, not accompanied by an increase in share prices. Thus the index of gold share prices showed a declining tendency throughout the first nine months of the year, but then also staged a recovery in October and November, when the increase in turnover occurred largely on expectations of a higher gold price.¹

Similar tendencies during 1960 were revealed by

STOCK EXCHANGE TURNOVER**REAL ESTATE TRANSACTIONS**

Value indices (1953 = 100) — Seasonally adjusted.

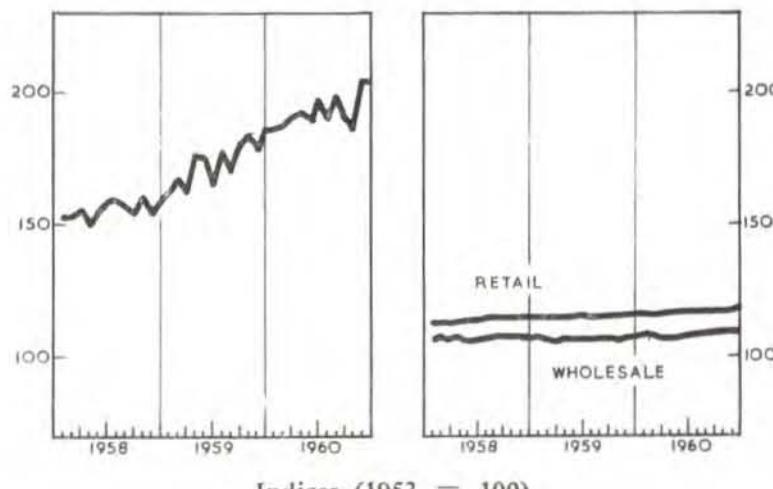
the price indices of industrial and commercial shares, except that the improvement in prices in October and November continued into December.

REAL ESTATE TRANSACTIONS

Following an upward tendency during 1959, which continued into the first quarter of 1960, the monthly indices of the value of property transactions (excluding Government transactions), showed a slight downward movement during the subsequent nine months. The average monthly index rose, however, from 92 in 1959 to 103 in 1960.

BANK DEBITS

Bank debits to all current accounts held by banks in the Union, excluding Government accounts, continued to increase in 1960, and the average monthly index rose to 193, compared with 174 in 1959, and 156 in 1958. From the chart below it would appear, however, that the rate of increase, as revealed by the trend in the monthly indices, was somewhat lower during the second half of 1960 than during the first half of the year.

BANK DEBITS**PRICES**

Indices (1953 = 100)

COMMODITY PRICES

Compared with a slight decline from 107.2 in 1958 to 107.1 in 1959, the index of wholesale prices in the Union showed a small increase of 1.3 per cent, to 108.5 in 1960. From December, 1959, to December, 1960, the increase was slightly bigger, namely, about 1.5 per cent.

In the case of retail prices, the average monthly index rose further from 115.4 in 1959 to 117.0 in 1960, or by about 1.4 per cent, due mainly to increased food prices. The chart above shows that the slow upward movement in the monthly indices during the two preceding years was continued throughout 1960, and the index stood at 117.8 in December, compared with 116.0 in December, 1959.

Agricultural prices also increased in 1960 in so far as the average monthly index rose to 82, compared with 80 in 1959. However, while the monthly indices showed an upward trend during 1959, rising from 76 in December, 1958, to 85 in December, 1959, the general tendency was downward during 1960, and the index declined to 80 in December,

1. See chart of stock exchange prices on page iv.

1960. These tendencies reflected to a large extent the movements in wool prices, as evidenced by the fact that the weighted average price of all types of wool, expressed in cents per lb., rose from 26 in December, 1958, to 36 in December, 1959, and then declined to 31 in December, 1960. Thus, while wool prices were higher in the first half of 1960 than in the first half of 1959, they were lower in the second half of 1960 than in the corresponding half of 1959.

B. NATIONAL ACCOUNTS

While no final national accounts figures for the calendar year 1960, nor finally revised figures for the immediately preceding years are available at this stage, some general conclusions may be drawn from the preliminary results of the surveys conducted in this respect by the South African Reserve Bank.

These figures indicate that the Union's gross domestic product increased by about 6½ per cent from 1959 to 1960, reflecting increases under all of the major classes of economic activity, namely, more than 7 per cent in the cases of mining and commerce, more than 6 per cent in the case of agriculture, and approximately 5 per cent in the case of manufacturing.

Adjusting the gross domestic product figures for foreign factor payments, as well as for indirect taxes and subsidies, it would appear that the Union's gross national product at market prices also increased by about 6½ per cent in 1960. Having regard to the increase in retail prices, this represents an increase of approximately 5 per cent in the *real* gross national product.

As far as expenditure is concerned, the indications are that consumption increased substantially from 1959 to 1960, while gross domestic saving showed little change. As indicated below, however, the Union's net current surplus in the balance of payments decreased by about R128 million in 1960, so that it would appear that gross domestic capital formation showed a considerable increase. This was mainly due to the fact that investment in inventories rose during 1960, compared with a drop in 1959, but also to an increase of approximately 2 per cent in fixed investment. The last-mentioned increase, in turn, was largely the result of an increase in private fixed investment, although fixed investment by public authorities also rose, as against a decline in the case of public corporations.

In regard to the substantial increase of about 5 per cent in the real gross national product from 1959 to 1960, the available statistics indicate that a lower rate of increase prevailed during the latter year. Moreover, it would appear that the rate of increase diminished somewhat during the second half of 1960, although the trend was still upward.

C. BALANCE OF PAYMENTS

As noted above, the Union's imports of merchandise increased by R133 million in 1960, compared with an increase of R6 million in merchandise exports. In addition to this increase of R127 million in the trade deficit, net current invisible payments rose by about R28 million, due largely to increased payments i.r.o. investment income, freight and insurance on imports, and emigrants' funds. On the other hand, the net gold output increased by R27 million, so that the net current surplus declined by about R128 million, i.e. from R158 million in 1959 to R30 million in 1960. This net current surplus of R30 million in 1960, consisted of a net surplus of R28 million in the first quarter, net deficits of R11 million and R4 million in the second and third quarters, respectively, and a net surplus of R17 million in the fourth quarter. The current account, therefore, showed a less-than-seasonal improvement in the fourth quarter, due not only to a smaller-than-seasonal increase in exports, but also to a less-than-seasonal decline in dividend payments, as well as a fairly substantial decline in the net gold output, reflecting smaller deliveries of gold to the Reserve Bank.

Compared with the net current surplus of R30 million in 1960, the Union's gold and foreign exchange reserves decreased by R132 million, indicating a net outflow of capital in all forms of about R162 million.

Official and banking institutions accounted for a net inflow of capital of about R32 million, which consisted mainly of (1) a net drawing of R14 million on the dollar credits made available by a group of American banks, (2) a Swiss loan of about R5 million, (3) a short-term loan of R14 million received by the Reserve Bank from a foreign banking institution, and (4) a drawing of about R9 million on the International Monetary Fund, as against (5) repayments of about R12 million on the I.B.R.D. and other foreign loans. Thus it would appear that the net outflow of private capital amounted to about R194 million, of which R176 million is identifiable from the preliminary results of the quarterly surveys conducted by the Reserve Bank, as follows:

1. The net outflow of *Union-resident* capital amounted to about R28 million, of which R4 million represented the net outflow of *direct*, and R24 million the net outflow of *non-direct* investment funds. The last-mentioned amount consisted of R10 million of long-term and R14 million of short-term capital.
2. The net outflow of *foreign* capital amounted to about R148 million, of which R78 million was accounted for by net purchases by Union residents from foreigners of securities listed on the Johannesburg Stock Exchange, as reported by stockbrokers and after adjustment for

nominee and direct transactions.¹ The balance of R70 million consisted of the following:

- (a) Net outflows of R14 million of short-term and R34 million of long-term *direct* investment funds. In this connection it is interesting to note that the last-mentioned figure includes repayments by local foreign controlled subsidiaries of foreign loans totalling R24 million (R8 million for uranium loans), as well as a reduction of R16 million in the balances of overseas head offices in their local branches. These outflows were, however, partly offset by a net inflow of R6 million, representing an increase in the value of shares held by overseas investors in Union subsidiaries.
- (b) Net outflows of R14 million of short-term and R8 million of long-term *non-direct* investment funds, the latter being largely accounted for by repayments on uranium loans of R6 million.

The substantial net outflow of private capital during 1960 occurred mainly during the first, second and third quarters of the year, when it amounted to R52 million, R56 million and R58 million, respectively. During the fourth quarter there was a considerable decline to R28 million, partly due to the fact that a net inflow of short-term funds occurred.

D. MONETARY AND FINANCIAL DEVELOPMENTS

MONEY AND BANKING

Notwithstanding the negative effect of a number of factors, notably a decrease of R160 million in the banking sector's *net* gold and foreign exchange reserves (associated with the unfavourable balance of payments), and a reduction of R40 million in its net claims on the Government, the public's total liquid assets with the banking sector, held in the form of "money" and interest-bearing deposits, declined by only R27 million during the year 1960. This phenomenon is explained by the credit creation by the banking sector for the private sector.

1. The unadjusted figures reported by stockbrokers are as follows (R millions):

	Purchases	Sales	
	by Union Residents	by Union Residents	Net Purchases
1960 — 1st Quarter	36.0	15.1	20.9
2nd Quarter	24.9	7.0	17.9
3rd Quarter	18.7	6.4	12.3
Oct.	9.7	3.3	6.4
Nov.	9.6	3.5	6.1
Dec.	5.7	1.9	3.8
Year	104.6	37.2	67.4
1961 — Jan.	6.0	3.2	2.8

As will be seen from the table below, the banking sector's claims on the private sector rose by about R186 million during 1960. Of this increase,

Changes in Liabilities and Assets of the Banking Sector²
(R millions)

	1959	1960
Domestic money supply	+ 46	- 31
Domestic interest-bearing deposits	+ 48	+ 4
Total	+ 94	- 27
Net gold and foreign exchange ³	+ 100	- 160
Claims on Government	- 3	- 40
Government deposits ⁴	- 51	-
Claims on local governments	+ 5	- 1
Claims on private sector	+ 30	+ 186
Unclassified items	+ 13	- 12
Total	+ 94	- 27

R58 million represented the increase in claims on the Land Bank, and R11 million the increase in claims on the discount and accepting houses. The balance of the increase, namely R117 million, was nearly entirely accounted for by an increase of about R112 million in the commercial banks' discounts and advances to the public, excluding the Land Bank and the discount and accepting houses. Judging by information available for the first nine months of the year, the last-mentioned increase was mainly due to a rise in credit extended to manufacturing and commercial concerns, and could be associated with the expansion of economic activity in the Union, as well as with the substantial increase in imports during the year. To some extent, it could also be associated with the net outflow of private capital, in so far as Union branches and subsidiaries of foreign concerns may have borrowed locally to replace the funds withdrawn from the Union.

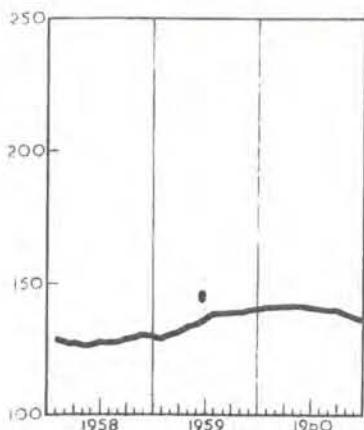
From the chart below, it will be seen that, on a monthly basis, the commercial banks' discounts and advances showed a sharp upward movement during 1960, compared with a slight upward tendency during 1959. This upward movement during 1960, caused the commercial banks' ratio of discounts and advances to liabilities to the public to rise to 65 per cent at the end of the year, compared with 55 per cent at the end of 1959, while their ratio of liquid assets to liabilities to the public declined to 43 per cent, compared with 49 per cent, respectively.

2. Consisting of the Reserve Bank, the commercial banks and the National Finance Corporation.

3. Gold and foreign exchange less foreign liabilities.

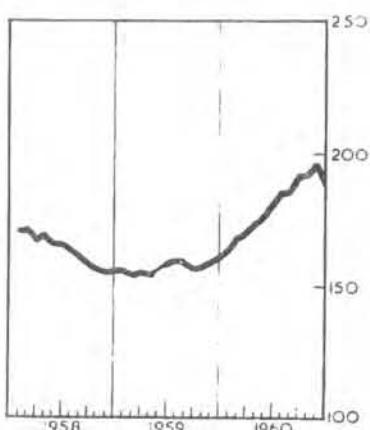
4. Increase —, decrease +.

**LIQUID ASSETS
OF THE
PUBLIC**



Value indices (1953 = 100) — Seasonally adjusted.

**COMMERCIAL BANKS'
DISCOUNTS AND
ADVANCES**



Changes in Liabilities and Assets of the Reserve Bank

	(R millions)	1959	1960
<i>Changes in ease or tightness of money market:</i>			
A. THE SYMPTOMS:			
Increase (-) in net extent of recourse to Reserve Bank by:			
Commercial banks	+ 4	-44	
N.F.C.	+ 18	-10	
Discount houses	+ 2	-26	
Total easing (+) or tightening (-) of money market	+ 24	-80	
B. THE CAUSES:			
Net gold and foreign exchange	+ 86	-156	
Credit to Government	- 6	+ 4	
Government deposits*	- 50	+ 30	
Net claims on local governments	+ 4	- 4	
Note liabilities*	—	- 2	
Net claims on private sector	- 2	+ 54	
Sundry causes	- 8	- 6	
Total	+ 24	- 80	

In addition to the decline of R27 million in the public's liquid assets with the banking sector during 1960, their liquid assets with the Government sector, held in the form of treasury bills and tax redemption certificates, decreased by R24 million. Thus, total liquid assets of the public with the banking and Government sectors declined by R51 million, i.e. from R1,586 million at the end of 1959 to R1,535 million at the end of 1960. The chart above indicates that these liquid assets remained fairly constant during the first half of 1960, but then showed a declining tendency during the second half of the year.

As far as financial institutions not included in the banking sector are concerned, deposits with the building societies rose from R557 million at the end of 1959 to R594 million at the end of 1960, while the share capital of these societies rose from R570 million to R619 million. Deposits with the discount and accepting houses, excluding those held by the commercial banks, increased by about R10 million during 1960, while, judging by the figures available for the first half of the year, there was also a substantial increase in deposits with other deposit-receiving institutions registered under the banking act of 1942.

MONEY MARKET

Mainly as a result of the unfavourable balance of payments, there was a considerable tightening of the money market during 1960, and money-market interest rates tended to move upwards.

From the table below, it will be seen that the reduction in liquid funds available to the money market caused by the decline in the Reserve Bank's

net gold and foreign exchange reserves during 1960, amounted to R156 million, while a further reduction of about R12 million occurred as a result of a decrease in the Bank's net claims on local governments, an increase in notes in circulation, and a net decrease in "sundry" accounts. As against these reductions totalling R168 million, an addition to liquid funds of R54 million was produced by an increase in the Bank's net claims on the private sector, mainly on the Land Bank, while the Government, in order to relieve the pressure on the market, invested a net amount of R30 million of its surplus funds with the commercial banks in the form of short-term interest-bearing deposits, thereby reducing its deposits with the Reserve Bank by that amount. In addition, the Reserve Bank extended R4 million of credit to the Government, so that the net extent of tightening of the money market amounted to R80 million, representing the net amount of credit which the Reserve Bank was called upon to extend to the market, namely, R44 million to the commercial banks, R26 million to the discount houses, and R10 million to the National Finance Corporation. Under these conditions, money-market interest rates showed a substantial increase over the year, and the Treasury bill tender rate, for example, rose from 3.325 per cent at the end of 1959 to 3.900 per cent at the end of 1960.

* Increase -, decrease +.

GOVERNMENT FINANCE

It was noted above that total Government deposits with the banking sector showed no change over the year 1960, as there was an increase of R30 million in the Exchequer's balance with the commercial banks, and a decrease of the same amount in Government deposits with the Reserve Bank. The latter decrease consisted, however, of a decline of R32 million in the Exchequer's balance, as against an increase of R2 million in the account of the Paymaster General, so that the Exchequer's total balances with the banking sector actually declined by R2 million. The reasons for this decline are summarised in the table below:

Exchequer Receipts and Issues

(R millions)

	1959	1960
Receipts (Excluding Borrowing):		
(1) On Revenue Account:		
Customs and Excise	194	214
Post Office	74	83
Inland Revenue	418	437
Total	686	734
(2) Loan Recoveries	37	50
(3) Other Receipts	61	64
(4) Total Receipts	784	848
Issues (Excluding Redemption):		
(1) On Revenue Account	589	641
(2) Loan Services	251	229
(3) Other Issues	56	51
(4) Total Issues	896	921
Excess of issues (—)	—112	—73
Net borrowing	+145	+71
Change in Exchequer Balance	+ 33	— 2

Excluding borrowing, receipts by the Exchequer increased from R784 million in 1959 to R848 million in 1960, or by R64 million, due mainly to an increase of R48 million in receipts on revenue account. Issues, excluding redemption, on the other hand, increased by only R25 million, so that the deficit of R112 million in 1959, was reduced to R73 million in 1960. In order to finance the last-mentioned deficit, the Exchequer, apart from drawing down its deposits by R2 million, borrowed a net amount of R71 million. Actually its net borrowing from the Public Debt Commissioners amounted to R100 million, from the Paymaster General to R2 million, and from foreign sources to R10 million, but it repaid a net amount of R41 million to other local parties, mainly to the commercial banks.

E. SUMMARY

The foregoing brief review indicates clearly that notwithstanding a number of adverse factors, which were reflected mainly in a net outflow of private capital, the picture of the Union's internal economic development during 1960 was one of continued expansion.

Nearly all the indices reviewed above showed further increases from 1959 to 1960, and the preliminary national accounts figures indicated not only a rise of about 6½ per cent in gross national product at market prices, but also an increase of approximately 5 per cent in the *real* gross national product. This substantial rate of increase in 1960 compared with 1959 was, however, partly due to the fact that the recovery of business activity in 1959 was experienced only during the second half of that year, and, as pointed out, the analysis of quarterly and monthly indices indicated that a lower rate of expansion prevailed during the year 1960. Moreover, it appeared that the rate of increase diminished somewhat during the second half of the year, although the trend was still upward.

On the expenditure side of the national accounts, the available information indicated a further substantial increase in consumption in 1960 as well as a considerable increase in gross domestic capital formation, which was mainly due to an increase in investment in inventories, but also to an increase in private fixed investment.

The increase in investment in inventories in 1960, as well as the increased consumption, was reflected in a substantial increase in the value of imports, and as the value of merchandise exports showed only a relatively small increase, due mainly to a decrease in the exports of wool and other agricultural products, the Union's net current surplus with the outside world showed a considerable decline. This smaller net current surplus in 1960, together with a net inflow of official capital during the year, was more than offset by a substantial net outflow of private capital, mainly foreign-owned, so that the country's gold and foreign exchange reserves showed a steep decline.

In regard to the net outflow of private foreign capital, which was, *inter alia*, associated with the higher interest rates and the credit squeeze in the United Kingdom, it was found that a large proportion thereof was due to repurchases by Union residents of Union securities from foreigners, while the balance consisted mainly of funds transferred from the Union by branches and subsidiaries of foreign concerns operating locally. By the fourth quarter of the year, however, the net outflow of capital had shown a notable decline.

The unfavourable balance of payments in 1960 caused a considerable tightening of the money market, so that money-market interest rates moved upwards. Moreover, it caused a reduction in the liquid assets in the hands of the public, although,

in this respect, its effect was largely counterbalanced by a substantial increase in bank credit extended to the private sector. This increase in bank credit is, therefore, also to be associated with the fact that, notwithstanding the net outflow of capital, economic activity in the Union continued to expand throughout 1960, although at a diminishing rate by the second half of the year. It should, however, be pointed out that this diminishing rate was not unconnected with the fact that during the second half of 1960 a sharp downturn occurred in the value of merchandise exports, due to declines in both physical volume and average price realized.

In the light of these developments, it was felt towards the end of 1960 that the internal economic situation was not such as to justify the application of monetary measures for balance of payments purposes. Accordingly, it was decided to curtail

imports in 1961 by reducing the value of the initial allocation of import permits, while early in 1961 a decision was taken to maintain the local Bank rate at 4½ per cent, when, owing to substantial offerings of Government stocks on the market, it became necessary to raise the official pattern of rates for open market operations and Government stocks by ¼ per cent. Subsequently, in the budget speech, the Minister of Finance announced a number of tax changes and other measures aimed at improving the Union's balance of payments position, on the one hand, and stimulating internal economic development, mainly private investment, on the other.

T. W. de Jongh

Head: Department of Economic
Research and Statistics.

OORSIG VAN EKONOMIESE TOESTANDE IN DIE UNIE IN 1960

Uit vorige oorsigte sal onthou word dat, ná die aanname van monetêre en fiskale maatreëls in die jaar 1958, die Unie se betalingsbalans 'n aansienlike verbetering in die tweede helfte van daardie jaar getoon het, toe ook 'n aansienlike netto toevloei van kapitaal ondervind is wat verband gehou het met die daling in rentekoerse en die verslapping van die kredietknelling destyds in die Verenigde Koninkryk. Hierdie verbetering in die betalingsbalans het egter gepaard gegaan met 'n stadiger gang in binnelandse ekonomiese bedrywigheid, waarvan 'n hoofsaak die voortsetting was van 'n afwaartse neiging in die waarde van goedere-uitvoere a.g.v. 'n verdere daling in oorsese grondstofpryse.

Aan die begin van 1959 is daar dus gevoel dat 'n verruiming van monetêre beleid geregtig sou wees, en die eerste stappe in hierdie rigting is op 5 Januarie geneem toe die plaaslike bankkoers met $\frac{1}{2}$ persent tot 4 persent (wat destyds gelyk aan die koers van die Bank van Engeland was) verlaag is, en die Reserwebank sy korttermynkoerse vir transaksies in staatseffekte verminder het. Hierna het geldmarkkoerse afwaarts geneig, terwyl die handelsbanke hulle minimumkoers op oortrekkings van $6\frac{1}{2}$ tot 6 persent verminder het en klein afwaartse aansuiwerings in hulle koerse vir deposito's met drie en ses maande looptyd gemaak het. Benewens die verlaging van die bankkoers, is die aanvullende reserwevereistes t.o.v. die handelsbanke van 6 tot 4 persent in Februarie verlaag, terwyl 'n aantal ander maatreëls ook deur die regering aangewend is ten einde uitbreiding in sekere sektore van die ekonomie aan te moedig. As gevolg van hierdie verskeie maatreëls, maar ook weens 'n skerp ommeswaai in die dalende neiging in goedere-uitvoere, sowel as 'n aansienlike toename in die goudproduksie, het die binnelandse ekonomie 'n stadige maar besliste herstel gedurende die tweede helfte van 1959 getoon. Boonop het 'n buitengewone verbetering in die land se netto saldo op lopende rekening met die buitenland plaasgevind, wat aansienlike terugbetalings op buitenlandse skuld, sowel as 'n aansienlike toename in die goud- en buitenlandse valutareserwes moontlik gemaak het.

In die lig van hierdie verwikkelinge is daar teen die end van 1959 besluit om die oorblywende aanvullende reserwevereistes t.o.v. die handelsbanke op te skort, terwyl daar in die begrotingstoespraak van Maart 1960 deur die Minister van Finansies 'n aantal belastingverminderings en ander maatreëls aangekondig is met die oog op 'n verdere aanmoediging van binnelandse ekonomiese ontwikkeling deur die skepping van toestande wat gunstig is vir toenames in beide private belegging en verbruik. Teen die end van Maart, egter, het die onluste wat in sekere Bantoegebiede in die Unie voorgekom het, veroorsaak dat die regering 'n noodtoestand afge-

kondig het wat tot September geduur het, en hierdie verwikkeling, sowel as verwikkelinge in die Kongo en ander Afrika-state later in die jaar, het die verloop van die Unie se ekonomiese bedrywigheid in 1960 beïnvloed, soos in die volgende bespreking aangetoon sal word. Bowendien moes die Unie 'n kredietknelling en hoë geldkoerse in die Verenigde Koninkryk in die gesig staar nadat die Bank van Engeland se koers, wat tot 5 persent in Januarie 1960 verhoog is, verder tot 6 persent in Junie opgeskuif is. Hierdie toestand het later in die jaar verbeter nadat die plaaslike bankkoers tot $4\frac{1}{2}$ persent in Augustus verhoog is, en die koers van die Bank van Engeland na $5\frac{1}{2}$ en toe na 5 persent in Oktober en Desember, onderskeidelik, verlaag is.

A. ALGEMENE TENDENSE PRODUKSIE EN WERKVERSKAFFING

(a) Landbou:

Volgens skattings wat deur die Afdeling Ekonomie en Marke gemaak is en wat op jare eindigende Junie betrekking het, het die brutowaarde van die Unie se landbouproduksie tot R779 miljoen in 1959/60 toegeneem, vergeleke met R724 miljoen in 1958/59. Die toename van R55 miljoen in 1959/60 was hoofsaaklik die gevolg van toenames van ongeveer R20 miljoen in die wolopbrengs en R11 miljoen in die produksie van mielies.

Op 'n kalenderjaarbasis beskou, word 'n effens ander verloop aan die lig gebring. Die waarde van die wolopbrengs was naamlik kleiner in die eerste en tweede helftes van 1960 as in die ooreenstemmende helftes van 1959, wat 'n aansienlike afname vir die jaar 1960 as geheel aandui. Hoofsaaklik as gevolg hiervan, skat die Afdeling dat die brutowaarde van landbouproduksie slegs met 'n relatiewe klein bedrag vanaf 1959 tot 1960 toegenem het.

(b) Mynwese:

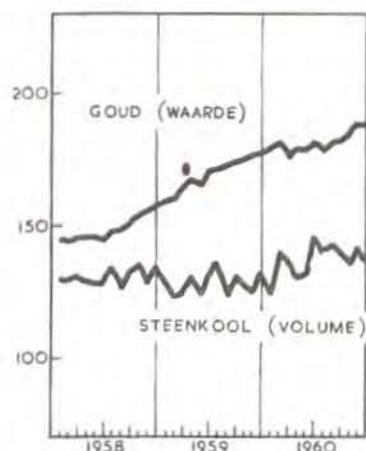
Die totale waarde van minerale produksie in die Unie, met uitsondering van steengroefprodukte, het tot die nuwe rekordpeil van R829 miljoen in 1960 gestyg, vergeleke met R765 miljoen in 1959 en R705 miljoen in 1958.

Van die verdere toename van R64 miljoen in 1960, was die goudopbrengs vir R36 miljoen verantwoordelik deurdat dit vanaf R500 miljoen (20.1 miljoen fyn onse) in 1959 tot R536 miljoen (21.4 miljoen fyn onse) in 1960 gestyg het. Steenkoolverkope het met ongeveer R6 miljoen en koper en diamante met ongeveer R3 miljoen elk gestyg, terwyl alle ander onedele en edele minerale gesamentlik 'n toename van ongeveer R17 miljoen getoon het.

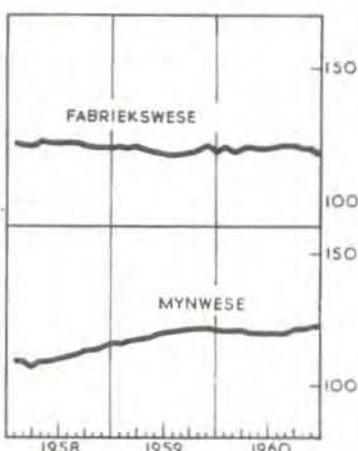
Soos uit die onderstaande grafiek blyk, het werkverskaffing in die mynwese geneig om gedurende die

eerste helfte van 1960 effens te daal, maar het weer gedurende die tweede helfte van die jaar toegeneem. Die gemiddelde maandelikse indeks het vanaf 120 in 1959 tot 121 in 1960 gestyg.¹

PRODUKSIE



WERKVERSKAFFING



Indeks (1953 = 100) — Aangesuiwer vir seisoenskommelings.

(c) *Fabriekswese:*

Nadat dit 'n opwaartse tendens gedurende die tweede helfte van 1959 getoon het, het werkverskaffing in die private fabriekswese betreklik konstant gedurende 1960 gebly en die gemiddelde maandelikse indeks het effens vanaf 119 in 1959 tot 120 in 1960 gestyg. Geoordeel volgens die beskikbare volksinkomesyfers wat hieronder bespreek sal word, was die waarde van fabrieksproduksie in 1960 hoër as in 1959.

(d) *Elektrisiteit:*

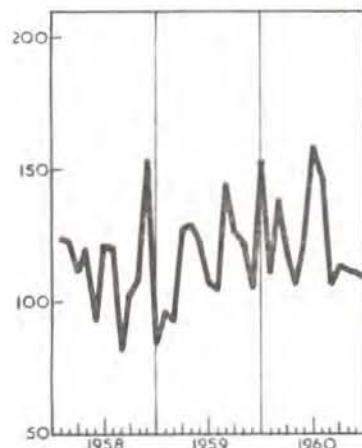
Die gemiddelde maandelikse indeks van elektriese stroom opgewek, het verder tot 173 in 1960 gestyg, vergeleke met 162 in 1959, terwyl die tendens in die maandelikse indeks dwarsdeur 1960 opwaarts was.

(e) *Boubedryf en konstruksie:*

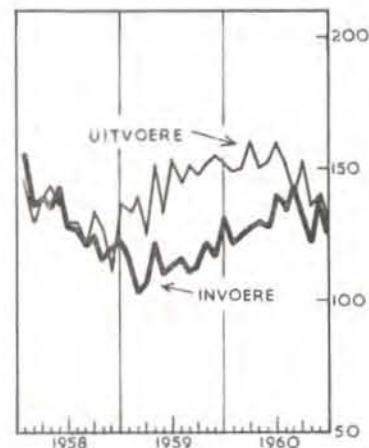
Terwyl die gemiddelde maandelikse indeks van bouplanne goedgekeur in die agtien vernaamste stede in die Unie effens verder vanaf 120 in 1959 tot 121 in 1960 toegeneem het, wil dit volgens die onderstaande grafiek voorkom asof daar ná 'n opwaartse tendens in die maandelikse indeks gedurende 1959, min verandering in die neiging gedurende die eerste helfte van 1960 was, maar 'n afwaartse beweging gedurende die tweede helfte van die jaar. Aan die anderkant het die indeks van werkverskaffing in private konstruksie wat, na aanswiwer vir seisoenskommelings, vanaf 103 in die eerste helfte van 1959 tot 105 in die tweede helfte toegeneem het, effens tot 104 in die eerste helfte van 1960 gedaal, maar toe tot 108 in die tweede helfte gestyg. Die laasgenoemde toename weerspieël oënskynlik 'n styging in boubedrywigheid, na die

hoë peil van bouplanne wat gedurende die eerste helfte van die jaar goedgekeur is.

BOUPLANNE GOEDGEKEUR



BUITELANDSE HANDEL



Waarde-indexe (1953 = 100) — Aangesuiwer vir seisoenskommelings.

BUITELANDSE HANDEL

Na aanswiwer vir betalingsbalansdoeleindes, toon die voorlopige handelsyfers dat die Unie se invoere van koopware vanaf R998 miljoen in 1959 tot R1,131 miljoen in 1960 gestyg het, terwyl uitvoere van koopware vanaf R864 miljoen tot R870 miljoen onderskeidelik toegeneem het.

Die aansienlike toename van R133 miljoen in totale invoere in 1960 was hoofsaaklik die gevolg van 'n toename van ongeveer R82 miljoen in die invoere van „metale, metaalfabrikate, masjinerie en voertuie“ (waarvan motorvoertuie, vliegtuie en onderdele vir R46 miljoen verantwoordelik was) en 'n toename van R31 miljoen in die invoer van „tekstielware, klere, draad en vesels“. In al die ander vernaamste invoerklassse is kleiner toenames aangeteken, behalwe in „voedsel, drank en tabak“ wat met ongeveer R6 miljoen gedaal het. Uit die bestaande grafiek kan gesien word dat die opwaartse neiging in invoere gedurende 1959, gedurende die eerste agt maande van 1960 voortgesit is, maar dat die tendens gedurende die laaste vier maande van 1960 afwaarts was.

In die geval van uitvoere van koopware was die toename van R6 miljoen in 1960 die netto gevolg van 'n toename van ongeveer R8 miljoen in heruitvoere en 'n klein afname van ongeveer R2 miljoen in die uitvoer van Suid-Afrikaanse produkte. Hierdie afname in die uitvoer van Suid-Afrikaanse produkte was hoofsaaklik die gevolg van afnames van ongeveer R10 miljoen in woluitvoere, R6 miljoen in die uitvoer van ander landbouprodukte en ongeveer R9 miljoen in diamantuitvoere, d.w.s. nadat laasgenoemde vir veranderings in diamantvoorraade wat in die buiteland gehou word, aangesuiwer is. Aan die anderkant is toenames in die uitvoer van 'n groot aantal produkte aangeteken, insonderheid dié van byna R17 miljoen in die uitvoer van

1. Daar moet op gelet word dat, tensy anders aangedui, al die indeks wat in hierdie oorsig vermeld word, op die nuwe basis 1953 = 100 gebaseer is.

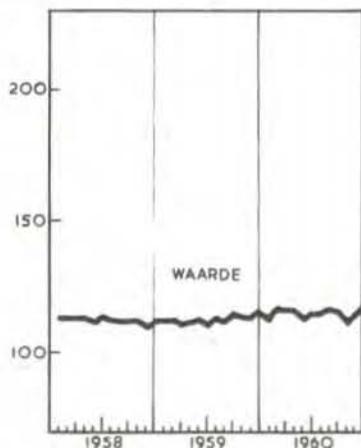
„voedsel, drank en tabak” en R8 miljoen in die uitvoer van „metale, masjinerie, ens.”. Die bostaande grafiek toon dat hoewel die waarde van goedere-uitvoere gedurende die eerste helfte van 1960 verder toegeneem het, 'n skerp afwaartse neiging gedurende die tweede helfte van die jaar voorgekom het.

Handelsindekse wat onlangs deur die Buro vir Sensus en Statistiek gepubliseer is, toon dat die toename in die totale waarde van goedere-uitvoere in 1960 toe te skryf is aan 'n styging in die fisiese volume van uitvoere, aangesien 'n afname in die gemiddelde prys per eenheid van uitvoer aangeteken is. Die kwartaalindekse dui egter aan dat beide die fisiese volume en die gemiddelde prys ontvang, gedurende die tweede helfte van die jaar gedaal het.

BINNELANDSE HANDEL

Die beskikbare indeks van die waarde van kleinhandelsverkope in 'n aantal van die vernaamste stede in die Unie het verder tot 115 in 1960 gestyg, vergeleke met 113 in 1959. Om redes wat in vroeëre oorsigte vermeld is, is dit egter waarskynlik dat die toename wat deur hierdie indeks weerspieël word, 'n onderskatting van die werklike styging wat in kleinhandelsverkope gedurende 1960 aangeteken is, verteenwoordig.

KLEINHANDELSVERKOPE



Indekse (1953 = 100) — Aangesuiwer vir seisoenskommelings.

SPOORWEGVERVOER

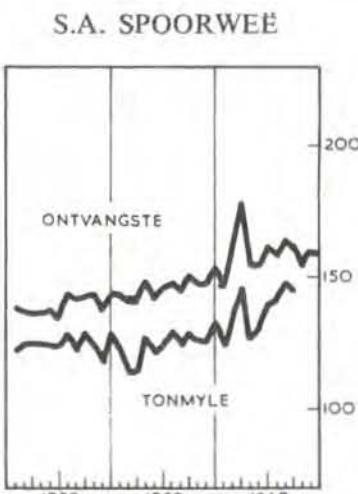
Soos uit die bostaande grafiek blyk, het spoorweginkomste 'n sterk opwaartse neiging gedurende die eerste nege maande van 1960 getoon, maar toe effens gedurende die vierde kwartaal afgeneem. Hierdie daling het met die afnames wat in beide invoere en uitvoere aangeteken is, saamgeval. Die gemiddelde maandelikse indeks van spoorweginkomste wat vanaf 140 in 1958 tot 146 in 1959 toegeneem het, het tot 159 in 1960 gestyg.

EFFEKTEBEURSTRANSAKSIES

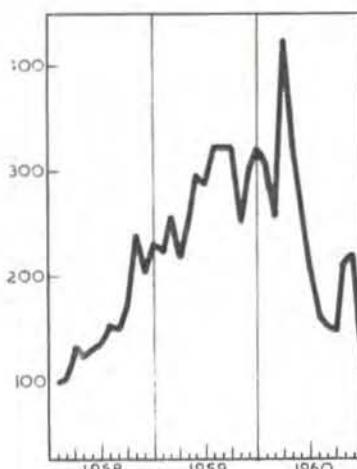
Die indeks van effektebeursomset wat, ná aansuiwing vir seisoenskommelings, 'n sterk opwaartse tendens gedurende 1958 en 1959 getoon het, het tot 'n hoogtepunt in Maart 1960 gestyg en toe gedurende die volgende ses maande skerp gedaal. Vervolgens het dit gedurende Oktober en November taamlik

aansienlik toegeneem, maar weer gedurende Desember afgeneem. Die toename in omset in Maart 1960 was hoofsaaklik aan verkope deur buitelandse beleggers te wye en het derhalwe nie met 'n toename in aandelepryse gepaard gegaan nie. Gevolglik het die pryse van goudmynaandele 'n dalende tendens dwarsdeur die eerste nege maande van die jaar getoon, maar toe ook in Oktober en November herstel, toe die toename in omset grootliks weens verwagtings van 'n hoër goudprys plaasgevind het.²

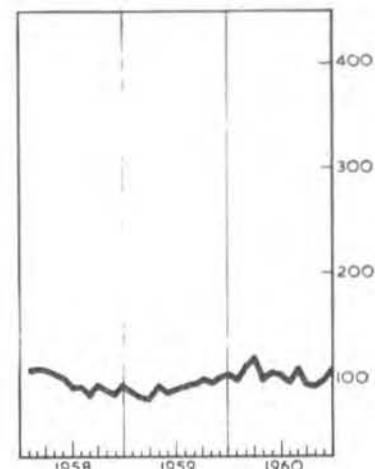
Soortgelyke tendense gedurende 1960 is deur die prysindekse van industriële en handelsaandele weerspieël, behalwe dat die verbetering in pryse in Oktober en November tot in Desember voortgeduur het.



EFFEKTEBEURS-OMSET



VASTE EIENDOMS-TRANSAKSIES



Waarde-indekse (1953 = 100) — Aangesuiwer vir seisoenskommelings.

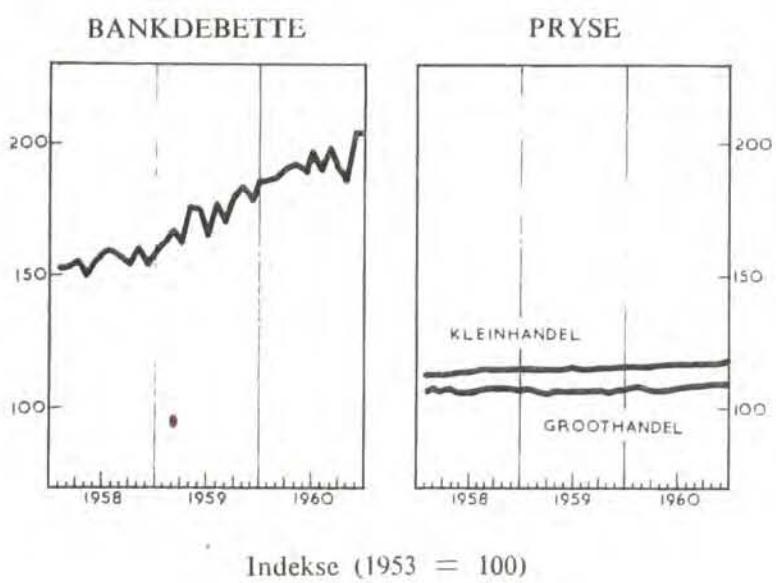
TRANSAKSIES IN VASTE EIENDOM

Nadat daar 'n opwaartse beweging gedurende 1959 was, wat tot in die eerste kwartaal van 1960 voortgeduur het, het die maandelikse indekssyfers van die waarde van eiendomstransaksies (uiteensoenderd regeringstransaksies) 'n effense afwaartse beweging gedurende die daaropvolgende nege maande getoon. Die gemiddelde maandelikse indeks het egter vanaf 92 in 1959 tot 103 in 1960 gestyg.

BANKDEBETTE

Bankdebette teen alle lopende rekeninge by banke in die Unie, uitgesonderd regeringsrekenings, het verder toegeneem in 1960, en die gemiddelde maandelikse indeks het gestyg tot 193, vergeleke met 174 in 1959 en 156 in 1958. Uit die onderstaande grafiek wil dit voorkom asof die koers van toename, soos blyk uit die tendens in die maandelikse indekse, effens laer gedurende die tweede helfte van 1960 as gedurende die eerste helfte van die jaar was.

2. Sien grafiek van aandelepryse op bladsy iv.



GOEDEREPRYSE

Vergeleke met 'n effense afname vanaf 107.2 in 1958 tot 107.1 in 1959, het die indeks van groothandelspryse in die Unie 'n klein toename van 1.3 persent, tot 108.5 in 1960 getoon. Van Desember 1959 tot Desember 1960 was die toename effens groter, nl. ongeveer 1.5 persent.

In die geval van kleinhandelspryse het die gemiddelde maandelikse indeks verder gestyg vanaf 115.4 in 1959 tot 117.0 in 1960, of met ongeveer 1.4 persent, hoofsaaklik weens verhoogde voedselprys. Bestaande grafiek toon dat die stadige opwaartse beweging in die maandelikse indeks, gedurende die twee voorafgaande jare, gedurende 1960 voortgeduur het, en die indeks het op 117.8 in Desember te staan gekom vergeleke met 116.0 in Desember 1959.

Landboupryse het ook toegeneem in 1960 insoverre die gemiddelde maandelikse indeks gestyg het tot 82 vergeleke met 80 in 1959. Terwyl die maandelikse indeks egter 'n opwaartse neiging gedurende 1959 getoon het, nl. vanaf 76 in Desember 1958 tot 85 in Desember 1959, was die algemene neiging afgaarts gedurende 1960 en die indeks het afgeneem tot 80 in Desember 1960. Hierdie neigings het tot 'n groot mate die bewegings in wolpryse weerspieël, soos blyk uit die feit dat die geweegde gemiddelde prys van alle tipes wol, uitgedruk in sente per lb. gestyg het vanaf 26 in Desember 1958 tot 36 in Desember 1959 en daarna afgeneem het tot 31 in Desember 1960. Terwyl wolpryse dus hoër in die eerste helfte van 1960 as in die eerste helfte van 1959 was, was hul weer laer in die tweede helfte van 1960 as in die ooreenstemmende helfte van 1959.

B. NASIONALE REKENINGE

Terwyl geen finale nasionale rekeningesyfers vir die kalenderjaar 1960, of finale hersiene syfers vir die onmiddellik voorafgaande jare in hierdie stadium beskikbaar is nie, kan enkele algemene gevolgtrekkings gemaak word op grond van die voorlopige resultate van opnames wat in hierdie verband deur die Suid-Afrikaanse Reserwebank gemaak is.

Hierdie syfers toon dat die Unie se bruto binne-landse produksie met ongeveer $6\frac{1}{2}$ persent vanaf 1959 tot 1960 toegeneem het, en weerspieël toenames onder al die belangrikste klasse van ekonomiese aktiwiteit, nl. meer as 7 persent in die gevalle van mynwese en handel, meer as 6 persent in die geval van landbou, en ongeveer 5 persent in die geval van fabriekswese.

Na aansuiwering van die bruto binnelandse produksiesyfers vir buitelandse faktorbetalings en vir indirekte belasting en subsidies, wil dit voorkom asof die Unie se bruto volksproduksie teen mark-pryse ook met ongeveer $6\frac{1}{2}$ persent in 1960 toegeneem het. Inagnemende die toename in kleinhandelspryse, verteenwoordig dit 'n toename van ongeveer 5 persent in die *reële* bruto volksproduksie.

Wat die uitgawekant van die nasionale rekening betref, is die aanduidings dat verbruik aansienlik vanaf 1959 tot 1960 toegeneem het, terwyl bruto binnelandse besparing min verandering getoon het. Soos hieronder aangetoon, het die Unie se netto lopende oorskot in die betalingsbalans egter met ongeveer R128 miljoen in 1960 afgeneem, sodat dit wil voorkom asof bruto binnelandse kapitaalvorming 'n aansienlike styging getoon het. Dit was hoofsaaklik te wyte aan die feit dat belegging in voorrade in 1960 gestyg het vergeleke met 'n daling in 1959, maar is ook toe te skryf aan 'n toename van ongeveer 2 persent in vaste belegging. Laasgenoemde toename was op sy beurt weer hoofsaaklik die gevolg van 'n toename in private vaste belegging, alhoewel vaste belegging deur openbare owerhede ook gestyg het teenoor 'n afname in die geval van openbare korporasies.

Wat die aansienlike toename van 5 persent in die *reële* bruto volksproduksie vanaf 1959 tot 1960 betref, toon die beskikbare syfers dat 'n laer koers van toename gedurende laasgenoemde jaar geheers het. Ook wil dit voorkom asof die koers van toename effens afgeneem het gedurende die tweede helfte van 1960, alhoewel die neiging nog steeds opwaarts was.

C. BETALINGSBALANS

Soos hierbo gemeld, het die Unie se goedere-invoere met R133 miljoen in 1960 gestyg, vergeleke met 'n toename van R6 miljoen in goedere-uitvoere. Benewens hierdie toename van R127 miljoen in die handelstekort het netto lopende onsigbare betalings met ongeveer R28 miljoen gestyg, hoofsaaklik weens groter betalings t.o.v. beleggingsinkome, vrag en versekering op invoere, en fondse van emigrante. Aan die anderkant het die netto goudproduksie met R27 miljoen toegeneem, sodat die netto lopende oorskot met ongeveer R128 miljoen gedaal het, d.w.s. van R158 miljoen in 1959 tot R30 miljoen in 1960. Hierdie netto lopende oorskot van R30 miljoen in 1960 het bestaan uit 'n netto oorskot van R28 miljoen in die eerste kwartaal, netto tekorte

van R11 miljoen en R4 miljoen in die tweede en derde kwartale, onderskeidelik, en 'n netto oorskot van R17 miljoen in die vierde kwartaal. Die lopende rekening het dus minder as seisoensgewyse in die vierde kwartaal verbeter weens nie slegs 'n kleiner-as-seisoenstyging in uitvoere nie, maar ook 'n minder-as-seisoendsaling in dividendbetalings, asook 'n taamlik aansienlike afname in die netto goudproduksie, wat kleiner goudafleverings aan die Reserwebank weerspieël.

Vergeleke met die netto lopende oorskot van R30 miljoen in 1960, het die Unie se goud- en buitelandse valutareserwes met R132 miljoen gedaal, wat 'n netto uitvloeи van kapitaal in alle vorms van ongeveer R162 miljoen aandui.

Offisiële en bankinstellings was verantwoordelik vir 'n netto kapitaaltoevloei van ongeveer R32 miljoen, wat hoofsaaklik bestaan het uit (1) 'n netto trekking van R14 miljoen op die dollar-krediete wat deur 'n groep Amerikaanse banke beskikbaar gestel is, (2) 'n Switserse lening van ongeveer R5 miljoen, (3) 'n korttermynlening van R14 miljoen wat deur die Reserwebank van 'n buitelandse bankinstelling ontvang is, en (4) 'n trekking van ongeveer R9 miljoen op die Internasionale Monetêre Fonds, teenoor (5) terugbetalings van ongeveer R12 miljoen op I.B.H.O.- en ander buitelandse lenings. Dit skyn dus asof die netto uitvloeи van private kapitaal ongeveer R194 miljoen bedra het, waarvan R176 miljoen bepaal kan word uit die voorlopige resultate van die kwartaallike opnames deur die Reserwebank, soos volg:

1. Die netto uitvloeи van *Unie-inwonerkapitaal* het R28 miljoen bedra, waarvan R4 miljoen die netto uitvloeи van regstreekse, en R24 miljoen die netto uitvloeи van onregstreekse beleggingsfondse verteenwoordig het. Laasgenoemde bedrag het uit R10 miljoen langtermyn- en R14 miljoen korttermynkapitaal bestaan.
2. Die netto uitvloeи van *buitelandse kapitaal* het ongeveer R148 miljoen bedra waarvan R78 miljoen netto aankope verteenwoordig deur Unie-inwoners vanaf buitelanders van effekte op die Johannesburgse aandelebeurs genoteer, soos verstrekkend deur aandelemakelaars en ná aansuiwing vir transaksies wat regstreeks en deur genomineerde aangegaan is.³ Die saldo van

3. Die syfers verstrek deur aandelemakelaars, vòòr aansuiwing, is soos volg (R miljoene):

	<i>Aankope deur Unie- inwoners</i>	<i>Verkope deur Unie- inwoners</i>	<i>Netto Aankope</i>
1960 — 1ste Kwartaal .	36.0	15.1	20.9
2de Kwartaal .	24.9	7.0	17.9
3de Kwartaal .	18.7	6.4	12.3
Okt.	9.7	3.3	6.4
Nov.	9.6	3.5	6.1
Des.	5.7	1.9	3.8
Jaar	<u>104.6</u>	<u>37.2</u>	<u>67.4</u>
1961 — Jan.	6.0	3.2	2.8

R70 miljoen het bestaan uit die volgende:

- (a) 'n Netto uitvloeи van R14 miljoen aan korttermyn en R34 miljoen aan langtermyn *regstreekse* beleggingsfondse. In hierdie verband is dit interessant om te meld dat laasgenoemde syfer terugbetalings deur plaaslike buitelands-beheerde filiale van buitelandse lenings ten bedrae van R24 miljoen (R8 miljoen vir uraanlenings) insluit, sowel as 'n vermindering van R16 miljoen in die saldo's van oorsese hoofkantore in hulle plaaslike takke. Hierdie uitvloeи van fondse is, egter, gedeeltelik ge-ewenaar deur 'n netto toevloei van R6 miljoen wat 'n toename verteenwoordig in die waarde van aandele gehou deur oorsese beleggers in Unie-filiale.
- (b) 'n Netto uitvloeи van R14 miljoen aan korttermyn en R8 miljoen aan langtermyn *onregstreekse* beleggingsfondse, waarvan lg. in hoofsaak bestaan het uit terugbetalings van uraanlenings ter waarde van R6 miljoen.

Die aansienlike netto uitvloeи van private kapitaal gedurende 1960 het in hoofsaak gedurende die eerste, tweede en derde kwartale van die jaar plaasgevind, toe dit R52 miljoen, R56 miljoen en R58 miljoen, onderskeidelik, bedra het. Gedurende die vierde kwartaal was daar 'n aansienlike afname na R28 miljoen gedeeltelik weens die feit dat 'n netto toevloei van korttermynfondse plaasgevind het.

D. MONETÊRE EN FINANSIELE VERWIKKELINGE GELD- EN BANKWESE

Nieteenstaande die negatiewe uitwerking van 'n aantal faktore, veral 'n afname van R160 miljoen in die *netto* goud- en buitelandse valutareserwes van die banksektor (gepaardgaande met die ongunstige betalingsbalans), en 'n afname van R40 miljoen in sy netto eise teen die regering, het die publiek se totale likwiede bates by die banksektor, gehou in die vorm van „geld“ en rentedraende deposito's, afgeneem met slegs R27 miljoen gedurende die jaar 1960. Hierdie verskynsel word verklaar deur die kredietstekking deur die banksektor aan die private sektor.

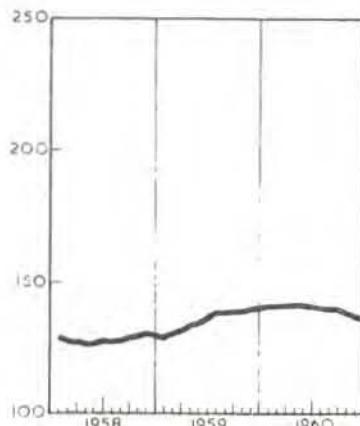
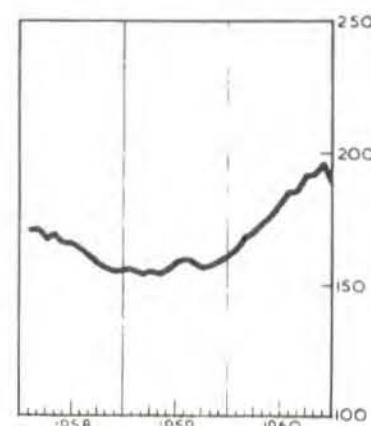
Soos uit onderstaande tabel blyk, het die eise van die banksektor teen die private sektor met ongeveer R186 miljoen gedurende 1960 gestyg. Van hierdie

Veranderings in die laste en bates van die banksektor⁴

(R miljoen)	1959	1960
Binnelandse geldhoeveelheid	+ 46	- 31
Binnelandse rentedraende deposito's	+ 48	+ 4
Totaal	+ 94	- 27
Netto goud en buitelandse valuta ⁵	+ 100	- 160
Eise teen regering	- 3	- 40
Regeringsdeposito's ⁶	- 51	—
Eise teen plaaslike regerings	+ 5	- 1
Eise teen private sektor	+ 30	+ 186
Onverdeelde poste	+ 13	- 12
Totaal	+ 94	- 27

toename het R58 miljoen 'n toename in eise teen die Landbank en R11 miljoen 'n toename in eise teen die diskonterings- en aksephuise verteenwoordig. Die balans van die toename, nl. R117 miljoen, was feitlik geheel en al toe te skrywe aan 'n toename van ongeveer R112 miljoen in die handelsbanke se diskonteringe en voorskotte aan die publiek, met uitsluiting van die Landbank en die diskonterings- en aksephuise. Te oordeel na gegewens wat beskikbaar is vir die eerste nege maande van die jaar, was laasgenoemde toename hoofsaaklik toe te skrywe aan 'n stygging in krediet wat aan fabrieks- en handelsondernemings verleen is, en kan in verband gebring word met die uitbreiding van ekonomiese bedrywigheid in die Unie, sowel as met die aansienlike toename in invoere gedurende die jaar. Tot 'n sekere mate kan dit ook in verband gebring word met die netto uitvloei van private kapitaal, in soverre Unie-takke en -filiale van buitelandse ondernemings moontlik plaaslik geleent het om fondse wat van die Unie weggetrek is, te vervang.

Uit onderstaande grafiek blyk dat die handelsbanke se diskonteringe en voorskotte op 'n maandbasis, 'n skerp opwaartse beweging gedurende 1960 getoon het, vergeleke met 'n effense opwaartse neiging gedurende 1959. Hierdie opwaartse beweging gedurende 1960 het veroorsaak dat die handelsbanke se verhouding van diskonteringe en voorskotte tot verpligtings teenoor die publiek gestyg het tot 65 persent aan die einde van die jaar, vergeleke met 55 persent aan die einde van 1959, terwyl hul verhouding van likwiede bates tot verpligtings teenoor die publiek afgeneem het tot 43 persent, vergeleke met 49 persent, onderskeidelik.

**LIKWIEDE BATES
VAN DIE
PUBLIEK****HANDELSBANKE:
DISKONTERINGE EN
VOORSKOTTE**

Waarde-indexe (1953 = 100) — Aangesuiwer vir seisoenskommelings.

Behalwe vir die afname van R27 miljoen in die publiek se likwiede bates by die banksektor gedurende 1960, het hul likwiede bates by die Regeringsektor, gehou in die vorm van skatkisbewyse en belastingdelgingsertifikate, afgeneem met R24 miljoen. Dus het die totale likwiede bates van die publiek by die bank- en Regeringsektors afgeneem met R51 miljoen, d.w.s. vanaf R1,586 miljoen aan die einde van 1959 tot R1,535 miljoen aan die einde van 1960. Die grafiek hierbo toon aan dat hierdie likwiede bates betreklik konstant gebly het gedurende die eerste helfte van 1960 maar daarna 'n dalende tendens getoon het gedurende die tweede helfte van die jaar.

Wat betref finansiële instellings wat nie ingesluit is by die banksektor nie, het deposito's by die bouverenigings gestyg vanaf R557 miljoen aan die einde van 1959 tot R594 miljoen aan die einde van 1960, terwyl die aandelekapitaal van hierdie instellings toegeneem het vanaf R570 miljoen tot R619 miljoen. Deposito's by diskonterings- en aksephuise, met uitsluiting van dié deur handelsbanke gehou, het met ongeveer R10 miljoen toegeneem gedurende 1960, terwyl te oordeel na die syfers beskikbaar vir die eerste helfte van die jaar, daar ook 'n aansienlike toename was in deposito's by ander deposito-nemende instellings wat geregistreer is onder die Bankwet van 1942.

GELDMARK

Hoofsaaklik as 'n gevolg van die ongunstige betalingsbalans, was daar 'n aansienlike vernouing van die geldmark gedurende 1960 en geldmarkrentekoerse het opwaarts geneig.

Uit onderstaande tabel blyk dat die vermindering in likwiede fondse beskikbaar aan die geldmark, wat veroorsaak is deur die daling in die Reserwebank se netto goud- en buitelandse valutareserwes gedurende 1960, R156 miljoen bedra het, terwyl 'n verdere vermindering van ongeveer R12 miljoen

4. Bestaande uit die Reserwebank, die handelsbanke en die Nasionale Finansiekorporasie.

5. Goud- en buitelandse valutareserwes minus buitelandse laste.

6. Toename -, afname +.

*Veranderings in laste en bates van die Reserwebank
(R miljoen)*

*Veranderings in toestand van
geldmark:*

A. DIE AANDUIDINGS:

Toename (—) in netto beroep op
Reserwebank deur:

	1959	1960
Handelsbanke	+ 4	- 44
N.F.K.	+ 18	- 10
Diskonteringshuise	+ 2	- 26
 Totale verruiming (+) of ver- nouing van geldmark	<u>+ 24</u>	<u>- 80</u>

B. DIE OORSAKE:

Netto goud en buitelandse valuta	+ 86	- 156
Krediet aan regering	- 6	+ 4
Regeringsdeposito's*	- 50	+ 30
Netto eise teen plaaslike regerings	+ 4	- 4
Banknote in omloop*	—	- 2
Netto eise teen private sektor	- 2	+ 54
Diverse oorsake	- 8	- 6
 Totaal	<u>+ 24</u>	<u>- 80</u>

voorgekom het as gevolg van 'n afname in die Bank se netto eise teen plaaslike regerings, 'n toename in banknote in omloop, en 'n netto afname in „Diverse" rekenings. Teenoor hierdie verminderings wat in totaal R168 miljoen bedra, is 'n toevoeging tot likwiede fondse van R54 miljoen voortgebring deur 'n toename in die Bank se netto eise teen die private sektor, hoofsaaklik teen die Landbank, terwyl die Regering, ten einde die druk op die mark te verlig, 'n netto bedrag van R30 miljoen van sy surplus fondse by die handelsbanke in die vorm van korttermyn rentedraende deposito's belê het, en sodoende sy deposito's by die Reserwebank met daardie bedrag verminder het. Boonop het die Reserwebank nog R4 miljoen krediet aan die Regering verskaf, sodat die netto mate van vernouing van die geldmark R80 miljoen beloop het. Hierdie bedrag verteenwoordig die netto hoeveelheid krediet wat die Reserwebank aan die geldmark moes verskaf, nl. R44 miljoen aan die handelsbanke, R26 miljoen aan die diskonteringshuise, en R10 miljoen aan die Nasionale Finansiekorporasie. Onder bogenoemde omstandighede het geldmarkrentekoerse 'n aansienlike toename oor die jaar getoon, en die tenderkoers op skatkisbewyse het bv. vanaf 3.325 persent aan die end van 1959 gestyg tot 3.900 persent aan die end van 1960.

STAATSFINANSIES

Dit is hierbo opgemerk dat totale Regeringsdeposito's by die banksektor geen verandering oor die jaar 1960 getoon het nie, aangesien daar 'n toename van R30 miljoen in die Skatkissaldo by

* Toename —, afname +.

die handelsbanke, en 'n afname van dieselfde bedrag in Regeringsdeposito's by die Reserwebank was. Laasgenoemde afname het egter uit 'n vermindering van R32 miljoen in die Skatkissaldo, teenoor 'n vermeerdering van R2 miljoen in die rekening van die Betaalmeester-generaal bestaan, sodat die Skatkis se totale saldo's by die banksektor in werklikheid met R2 miljoen afgeneem het. Die redes vir hierdie afname word in onderstaande tabel opgesom:

*Ontvangste en betalings van die Skatkis
(R miljoen)*

	1959	1960
Ontvangste (met uitsluiting van lenings):		
(1) Op inkomsterekening:		
Doeane en aksysn	194	214
Poskantoor	74	83
Binnelandse inkomste	418	437
Totaal	686	734
(2) Leningsverhalings	37	50
(3) Ander ontvangste	61	64
(4) Totale ontvangste	784	848
Betalings (met uitsluiting van aflossings):		
(1) Op inkomsterekening	589	641
(2) Leningsdienste	251	229
(3) Ander betalings	56	51
(4) Totale betalings	896	921
Surplus van betalings (—)	- 112	- 73
Netto lenings	+ 145	+ 71
Verandering in Skatkissaldo	+ 33	- 2

Met uitsluiting van lenings aangegaan, het die ontvangste van die Skatkis toegeneem vanaf R784 miljoen in 1959 tot R848 miljoen in 1960, of met R64 miljoen, hoofsaaklik as gevolg van 'n toename van R48 miljoen in ontvangste op inkomsterekening. Betalings, met uitsluiting van aflossing van lenings, aan die anderhande, het met slegs R25 miljoen toegeneem, sodat die tekort van R112 miljoen in 1959, afgeneem het tot R73 miljoen in 1960. Ten einde laasgenoemde tekort te finansier, het die Skatkis, behalwe die gebruik van R2 miljoen van sy deposito's, 'n netto bedrag van R71 miljoen geleent. In werklikheid het sy netto lenings by die Staatskuldkommissaris R100 miljoen bedra, by die Betaalmeester-generaal R2 miljoen, en by buitelandse bronre R10 miljoen, maar 'n netto bedrag van R41 miljoen is aan plaaslike bronre terugbetaal, hoofsaaklik aan die handelsbanke.

E. SAMENVATTING

Die voorafgaande kort oorsig toon duidelik dat nienteenstaande 'n aantal ongunstige faktore, wat hoofsaaklik in 'n netto uitvloei van private kapitaal weerspieël is, die prent van die Unie se binnelandse

ekonomiese ontwikkeling gedurende 1960 steeds een van uitbreiding was.

Byna al die indekse hierbo aangehaal, het verdere stygings vanaf 1959 tot 1960 getoon, en die voorlopige nasionale rekeninge syfers het nie alleen 'n toename van $6\frac{1}{2}$ persent in die bruto volksproduksie teen markpryse aangedui nie, maar ook 'n styging van ongeveer 5 persent in die *reële* bruto volksproduksie. Hierdie aansienlike koers van toename in 1960 vergeleke met 1959 was egter gedeeltelik te wyte aan die feit dat die herstel van ekonomiese bedrywigheid in 1959 eers gedurende die tweede helfte van daardie jaar ondervind is, en, soos aangedui, het die ontleding van kwartaal- en maand-indekse getoon dat 'n laer koers van uitbreiding gedurende die jaar 1960 geheers het. Ook het dit voorgekom asof die koers van styging effens verminder het gedurende die tweede helfte van die jaar, alhoewel die neiging steeds opwaarts was.

Aan die uitgawekant van die nasionale rekeninge het die beskikbare inligting gedui op 'n verdere aansienlike styging in konsumpsie in 1960 sowel as 'n aansienlike toename in bruto binnelandse kapitaalvorming, wat hoofsaaklik te wyte was aan 'n styging in belegging in voorrade maar ook aan 'n toename in private vaste belegging.

Die styging in belegging in voorrade in 1960, asook die verhoogde konsumpsie, is weerspieël in 'n aansienlike toename in die waarde van invoere, en aangesien die waarde van goedere-uitvoere slegs 'n relatiewe klein styging getoon het, te wyte veral aan 'n daling in die uitvoere van wol en ander landbouprodukte, het die Unie se netto lopende surplus teenoor die buiteland 'n aansienlike afname getoon. Hierdie kleiner netto lopende surplus in 1960, tesame met 'n netto toevloei van offisiële kapitaal, is meer as geneutraliseer deur 'n aansienlike netto uitvloei van private kapitaal, veral buitenlandse kapitaal, sodat die land se goud- en buitenlandse valutareserwes 'n skerp afname getoon het.

Betreffende die netto uitvloei van private buitenlandse kapitaal, wat o.a. verband gehou het met die hoér rentekoerse en die kredietknelling in die Verenigde Koninkryk, is gevind dat 'n groot gedeelte daarvan toe te skryf is aan heraankope deur Unie-inwoners van Unie-effekte vanaf buitelanders, terwyl die saldo hoofsaaklik uit fondse bestaan het wat uit die Unie verskuif is deur takke en filiale van buite-

landse ondernemings wat plaaslik sake doen. Teen die vierde kwartaal van die jaar het die netto uitvloei van kapitaal egter 'n aanmerklike daling getoon.

Die ongunstige betalingsbalans in 1960 het 'n aansienlike vernouing van die geldmark veroorsaak sodat geldmarkrentekoerse 'n styging openbaar het. Bowendien het dit 'n vermindering in die likwiedebates gehou deur die publiek veroorsaak, alhoewel die uitwerking in hierdie opsig grootliks teengewerk is deur 'n aansienlike toename in bankkrediet verleen aan die private sektor. Hierdie toename in bankkrediet moet dus ook in verband gebring word met die feit dat, nieteenstaande die netto uitvloei van kapitaal, ekonomiese bedrywigheid in die Unie nog steeds gedurende 1960 toegeneem het, alhoewel teen 'n afnemende koers teen die tweede helfte van die jaar. Daar moet egter op gewys word dat hierdie afnemende koers nie sonder verband met die feit was nie dat 'n skerp afname in die waarde van goedere-uitvoere gedurende die tweede helfte van 1960 plaasgevind het weens dalings in beide die fisiese volume en die gemiddelde prys behaal.

In die lig van hierdie verwikkelinge is daar teen die end van 1960 gevoel dat die binnelandse ekonomiese toestand nie sodanig was dat die toepassing van monetêre maatreëls vir betalingsbalansdoeleindes geregtig was nie. Dus is besluit om invoere in 1961 te besnoei deur die waarde van die voorlopige toekenning van invoerpermitte te verminder terwyl 'n beslissing vroeg in 1961 geneem is om die plaaslike bankkoers op $4\frac{1}{2}$ persent te handhaaf toe dit nodig geword het om die offisiële patroon van koerse vir opemarktransaksies en staatseffekte met $\frac{1}{4}$ persent te verhoog weens die aansienlike aangebiedings van staatseffekte op die mark. Vervolgens het die Minister van Finansies in sy begrotingsrede 'n aantal belastingveranderings en ander maatreëls aangekondig wat gemik is op die verbetering van die Unie se betalingsbalanstoestand, aan die eenkant, en die aanmoediging van binnelandse ekonomiese ontwikkeling, veral private belegging, aan die anderkant.

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