South African Reserve Bank
Suid-Afrikaanse Reserwebank

Quarterly Bulletin
Kwartaalblad

No. 81 September 1966

Contents

	Page
Quarterly economic review	5
Statement regarding anti-inflationary measures	13
Notes to tables	15

Statistical tables

Money and banking

	Page "S"
South African Reserve Bank: Liabilities and assets	2–3
National Finance Corporation of South Africa: Liabilities and assets	4–5
Discount houses: Liabilities and assets	6–7
Commercial banks: Selected liabilities and assets	8
Commercial banks: Ratios of selected assets to total liabilities to the public	8
Commercial banks: Discounts and advances	9
Commercial banks: Advances according to types of borrowers	9
Commercial banks: Liabilities and assets	10–11
Merchant banks: Liabilities and assets	12–13
Hire-purchase, savings and general banks: Liabilities and assets	14–15
Hire-purchase, savings and general banks: Selected liabilities and assets	16
Hire-purchase, savings and general banks: Ratios of selected assets to liabilities to the public	16
Land Bank: Liabilities and assets	17
Monetary banking sector: Liabilities and assets	18–19
Money and near-money	20
Liquid assets of the private sector with the government sector	21
Interest rates	22

Capital market

Permanent building societies: Selected items	23
Permanent building societies: Holdings of liquid assets and prescribed investments	23
Permanent building societies: Liabilities and assets	24–25
Permanent building societies: Classification of depositors, shareholders and borrowers	26
Post Office Savings Bank and National Savings Certificates	27
Long-term insurers: Assets	28
Net issues of marketable securities	29
Share prices, share yields and stock exchange turnover	30

Government finance

Exchequer account	31
Balances on Exchequer and Paymaster-General accounts	32
Total government debt	33
Ownership distribution of domestic marketable stock debt of central government	34–35
Ownership distribution of marketable Treasury bills	36
Ownership distribution of non-marketable central government debt	37
Marketable central government stock debt by unexpired maturity	38
Redemption schedule of domestic marketable stock debt	39

Inhoudsopgawe

	Bladsy
Kwartaallikse ekonomiese oorsig	17
Verklaring insake anti-inflasionistiese maatreëls	25
Opmerkings oor tabelle	27

Statistiese tabelle

Geld- en bankwese

	Bladsy „S"
Suid-Afrikaanse Reserwebank: Laste en bates	2–3
Nasionale Finansiekorporasie van Suid-Afrika: Laste en bates	4–5
Diskontohuise: Laste en bates	6–7
Handelsbanke: Uitgesoekte laste en bates	8
Handelsbanke: Verhouding van uitgesoekte bates tot totale verpligtings teenoor die publiek	8
Handelsbanke: Diskonteringe en voorskotte	9
Handelsbanke: Voorskotte volgens soorte leners	9
Handelsbanke: Laste en bates	10–11
Aksepbanke: Laste en bates	12–13
Huurkoop-, spaar- en algemene banke: Laste en bates	14–15
Huurkoop-, spaar- en algemene banke: Uitgesoekte laste en bates	16
Huurkoop-, spaar- en algemene banke: Verhoudings van uitgesoekte bates tot totale verpligtings teenoor die publiek	16
Landbank: Laste en bates	17
Monetêre banksektor: Laste en bates	18–19
Geld en kwasi-geld	20
Likwiede bates van die private sektor by die regeringsektor	21
Rentekoerse	22

Kapitaalmark

Permanente bouverenigings: Uitgesoekte poste	23
Permanente bouverenigings: Besit aan likwiede bates en voorgeskrewe beleggings	23
Permanente bouverenigings: Laste en bates	24–25
Permanente bouverenigings: Verdeling van deposante, aandeelhouers en leners	26
Posspaarbank en Nasionale Spaarsertifikate	27
Langtermynversekeraars: Bates	28
Netto uitgiftes van bemarkbare effekte	29
Aandelepryse, opbrengskoerse op aandele en effektebeursomset	30

Staatsfinansies

Skatkisrekening	31
Saldo's op skatkis- en betaalmeestergeneraalrekening	32
Totale staatskuld	33
Binnelandse bemarkbare effekteskuld van sentrale regering volgens besitter	34–35
Bemarkbare skatkiswissels volgens besitter	36
Nie-bemarkbare staatskuld van die sentrale regering volgens besitter	37
Bemarkbare effekteskuld van die sentrale regering volgens onverstreke looptyd	38
Aflossingstabel van binnelandse bemarkbare effekteskuld	39

International economic relations

	Page "S"
Balance of payments: Annual figures	40
Balance of payments: Quarterly figures	41
Seasonally adjusted balance of payments on current account	42
Foreign trade	43
Balance of payments items: Services and transfers	44
Balance of payments items: Private capital movements	45
Balance of payments items: Capital movements of central government and banking sector	46
Gold and foreign exchange reserves	47
Foreign liabilities of South Africa	48–49
Foreign assets of South Africa	50–51
Foreign exchange rates and gold price	52

National accounts

Gross domestic product	53
Expenditure on gross domestic product	54
Distribution of national income	55
Gross domestic product by kind of economic activity	55
Composition of private consumption expenditure	56
Gross and net domestic investment	56
Gross domestic fixed investment by type of organisation	57
Change in inventories by type of organisation	58
Gross domestic investment by type of asset	59
Financing of gross domestic investment	59
Personal income and expenditure	60
Current revenue and expenditure of general government	60

General economic indicators

Indices of the physical volume of production	61
Labour statistics	62
Price indices	63
Sundry economic indices	64

General notes

Owing to the rounding of figures, the sum of the separate items will sometimes differ from the total shown.

. . . denotes not available

— denotes value equal to nil or less than half the digit shown

* denotes preliminary figures

Internasionale ekonomiese verhoudinge

	Bladsy „S"
Betalingsbalans: Jaarsyfers	40
Betalingsbalans: Kwartaalsyfers	41
Betalingsbalans in lopende rekening ná uitskakeling van seisoensinvloed	42
Buitelandse handel	43
Betalingsbalansposte: Dienste en oordragte	44
Betalingsbalansposte: Private kapitaalbewegings	45
Betalingsbalansposte: Kapitaalbewegings van sentrale regering en banksektor	46
Goud- en buitelandse valutareserwes	47
Buitelandse laste van Suid-Afrika	48–49
Buitelandse bates van Suid-Afrika	50–51
Wisselkoerse en goudprys	52

Nasionale rekeninge

Bruto binnelandse produk	53
Besteding aan bruto binnelandse produk	54
Verdeling van nasionale inkome	55
Bruto binnelandse produk volgens tipe ekonomiese aktiwiteit	55
Samestelling van private verbruiksbesteding	56
Bruto en netto binnelandse investering	56
Bruto binnelandse vaste investering volgens tipe organisasie	57
Verandering in voorrade volgens tipe organisasie	58
Bruto binnelandse investering volgens tipe bate	59
Finansiering van bruto binnelandse investering	59
Persoonlike inkome en uitgawe	60
Lopende inkomste en uitgawe van algemene owerheid	60

Algemene ekonomiese aanwysers

Indekse van die fisiese volume van produksie	61
Arbeidstatistiek	62
Prysindekse	63
Diverse ekonomiese indekse	64

Algemene opmerkings

Weens die afronding van syfers sal die som van die onderskeie poste soms verskil van die totaal wat aangetoon word.

. . . dui aan nie beskikbaar nie

— dui aan 'n waarde gelyk aan nul of minder as die helfte van die eenheid aangetoon

* dui voorlopige syfers aan

Quarterly economic review

Main developments

During the period April to August, 1966, there were divergent tendencies in the South African economy. Fixed capital outlays and inventory investment, which had already declined during the first quarter of 1966, both decreased further during the second quarter. This suggested that a more general slowing down in the economy and a reduction in the inflationary pressure were imminent. Many other economic indicators, however, pointed the other way, namely towards a new cyclical upswing.

But while there was some uncertainty as to the direction in which the economy was about to move, the facts clearly indicated (1) that economic growth was continuing at a very satisfactory rate despite the effects of the drought, (2) that general economic activity and employment were at a very high level, (3) that the economy was in an exceptionally liquid state and (4) that the underlying monetary demand for goods and services still tended to be excessive. Indeed, the inflationary pressure turned out to be so strong and sustained that the existing anti-inflationary measures had to be extended and progressively intensified with a view to restraining the rate of increase of total capital and consumer spending.

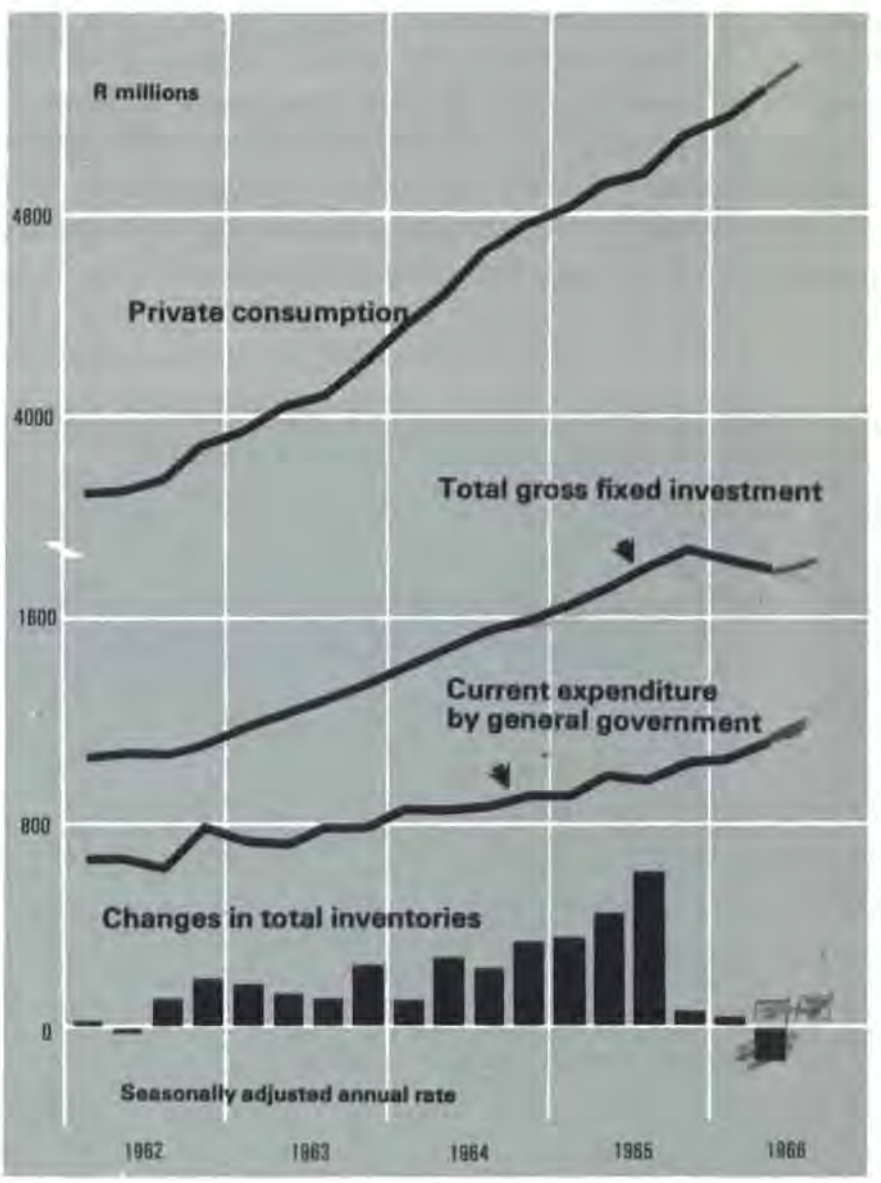
On the 8th July, 1966, the Minister of Finance accordingly announced a new and concerted attack on inflation, including an increase from 5 to 6 per cent in Bank Rate, increases in interest rates on long-term government stock, the abolition of deposit rate control, the extension for a further period of six months of the existing direct restrictions on bank credit, the relaxation of import control, and fiscal measures, details of which were subsequently given in the Budget on the 17th August. The Budget, in fact, provided for substantial increases in a wide variety of direct and indirect taxes and in various other ways reflected the Government's intention to finance its expenditure in a non-inflationary manner.

The balance of payments showed a fairly substantial surplus on current account during the second quarter of 1966, but this was transformed into a small deficit during the period July to August, partly owing to the relaxation of import control as a deliberate disinflationary step. Private capital continued to flow into the country on such a scale, however, that the total gold and foreign exchange reserves increased strongly up to the end of July, before declining slightly during August.

National accounts[1]

Continued rise in gross domestic product

Preliminary indications suggest that the gross domestic product, measured in money terms, increased at a somewhat faster annual rate during the first half of 1966 than during the previous year, but that, in real terms, it increased at roughly the same annual rate as during 1965, namely by about 5 per cent. The gross national product likewise continued to rise strongly and, in sharp contrast to the position during the preceding eighteen months, exceeded gross domestic expenditure during both the first and second quarters of 1966, which meant that there was a surplus in the current account of the balance of payments during this period.

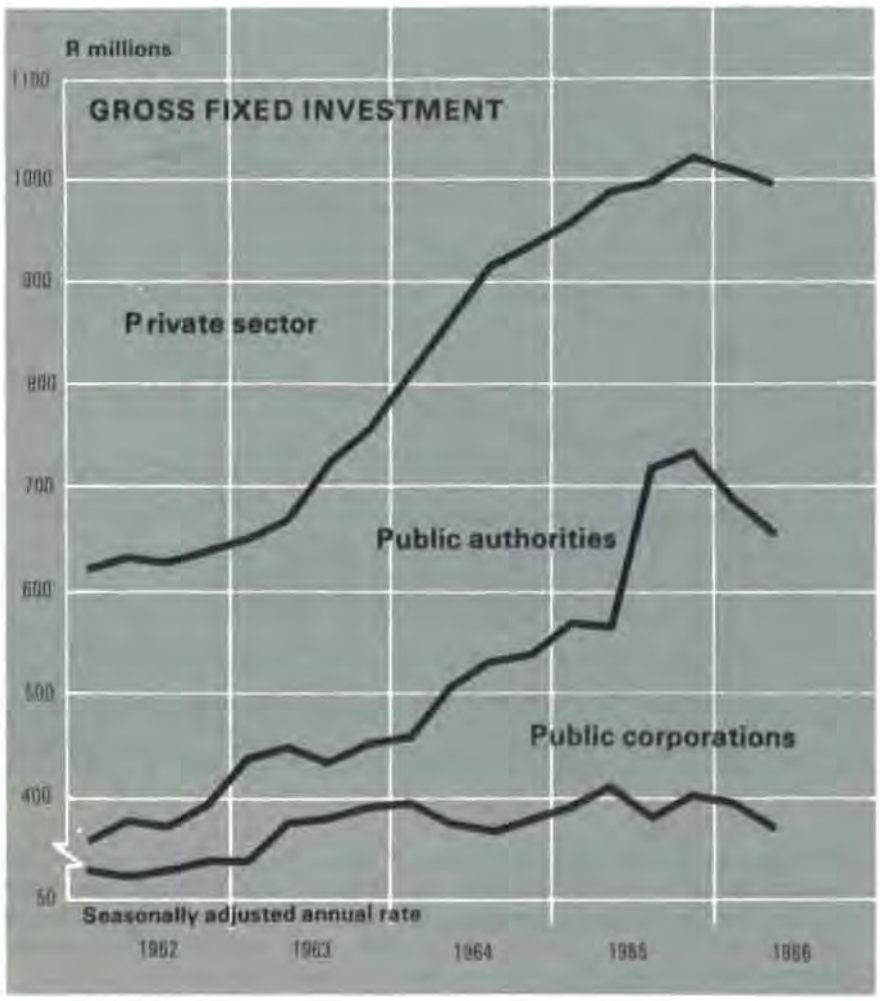


[1] The analysis in this section of the *Review* is largely based on the Reserve Bank's quarterly estimates of the national accounts, *after adjustment for seasonal tendencies*. Since these figures are not yet judged reliable enough for publication, the analysis of quarterly developments is confined to pointing out broad tendencies.

Increase in gross domestic expenditure

Gross domestic expenditure itself, although remaining below gross national product, increased during both the first and second quarters of 1966. Its main components, however, showed divergent tendencies during this period. Both private consumption and current expenditure by public authorities increased strongly, but fixed capital outlays by private enterprises, public authorities and public corporations all declined moderately. In addition, inventory investment, which had already decreased considerably during the two preceding quarters, continued to decline and even became negative during the second quarter, i.e. total inventories were actually reduced.

It is too early yet to determine the real significance of these expenditure tendencies. Fixed capital outlays and inventory investment are normally strategically important generators of income and a downturn in them is often the forerunner of a more general slowing down in the economy. But it is not yet firmly established that a genuine downturn in fixed capital outlays has, in fact, taken place, while the behaviour of inventory investment was undoubtedly influenced to some extent by the tighter application of import control and does not therefore necessarily signify an important change in the underlying cyclical tendency in the economy. Nevertheless, despite these qualifications, it would appear that the underlying demand for capital goods has, at least, shown signs of levelling off, and from the point of view of reducing the inflationary pressure this is an encouraging development.



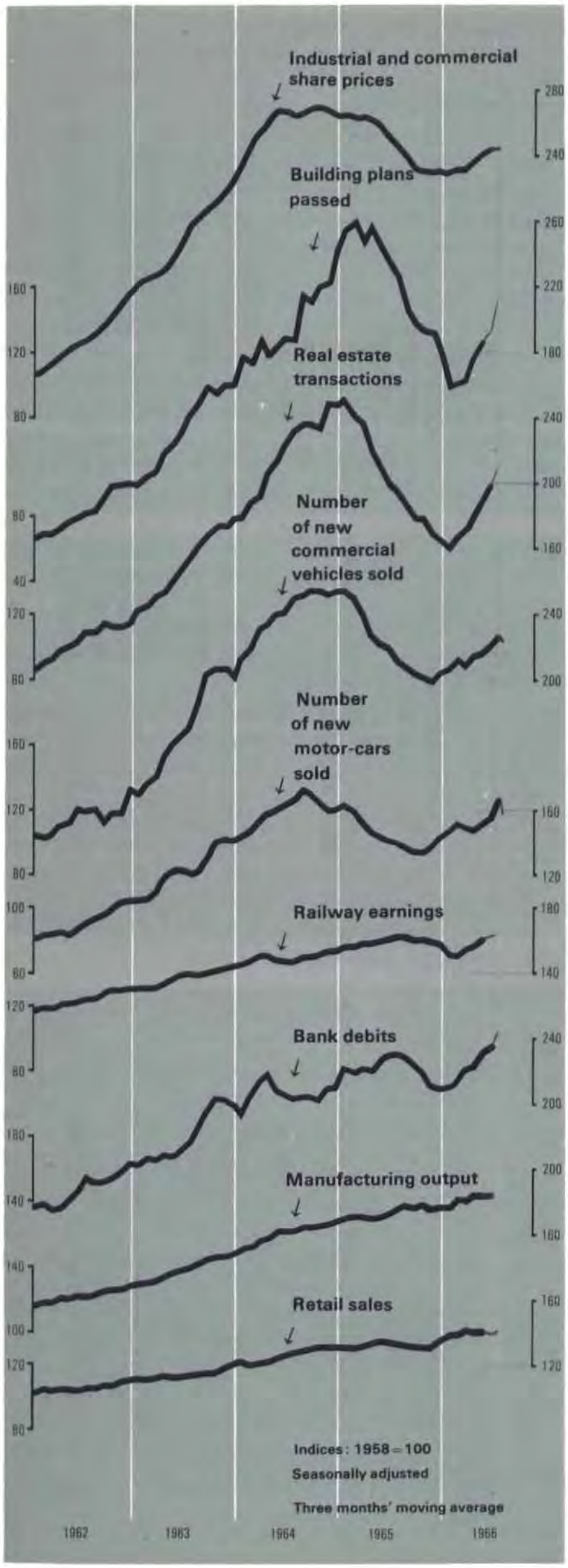
General economic indicators

The task of analysing recent short-term tendencies in the economy is further complicated by the fact that, whereas both fixed and inventory investment declined during the first and second quarters of 1966, various other economic indicators which had declined or levelled off during the course of 1965, actually began to rise again at some stage between October, 1965, and April, 1966. These indicators included building plans passed, real estate transactions, number of new motorcars sold, number of new commercial vehicles sold, bank debits, railway earnings, physical volume of manufacturing output, and retail sales. In addition, as will be indicated in more detail later, exports and the net inflow of private capital showed a marked increase after March, 1966, while imports rose substantially in August, after import control had been relaxed.

These developments by themselves pointed more to a potential new economic upswing, with inflationary consequences, than to a further slowing down of general economic activity. At the very least, they provided evidence of the continued buoyancy and sustained optimism in the economy and help to explain why the inflationary pressure persisted during the first half of 1966 and why the authorities deemed it necessary to apply further disinflationary measures in July and August. These measures themselves have probably already exerted some restraining influence on monetary demand and will, no doubt, continue to do so in the months ahead. But since most of the available statistics cover only the period up to July, and in the case of the national accounts only up to June, it is not yet possible to determine accurately what the effects of the additional measures have been so far. What the available statistics do show, however, is that it was indeed very necessary to apply additional measures of one kind or another.

Prices

The continuation of inflation in South Africa during the first eight months of 1966 is indicated also by the behaviour of the consumer and wholesale price indices, as adjusted for seasonal changes by the Reserve Bank. As the accompanying summary tables show, consumer prices increased during the first eight months of 1966 at roughly the same annual rate as during 1965, while wholesale prices increased during the first seven months of 1966 at about double the rate of 1965, reflecting a faster rise in the prices of both imported and locally produced goods. The acceleration in the prices of locally produced goods was attributable to a more rapid rise in the prices of manufactured products as well as products of agriculture, forestry and fishing.



Consumer prices – seasonally adjusted

Annual percentage rate of change

Period	Food	Other	Total
Dec. 1964 – Dec. 1965	2·0	3·7	3·2
Dec. 1965 – Aug. 1966	3·6	3·0	3·1

Wholesale prices – seasonally adjusted

Annual percentage rate of change

Period	Goods produced in South Africa	Imported goods	Total
Dec. 1964 – Dec. 1965	2·8	1·4	2·4
Dec. 1965 – July 1966	4·9	5·3	5·0

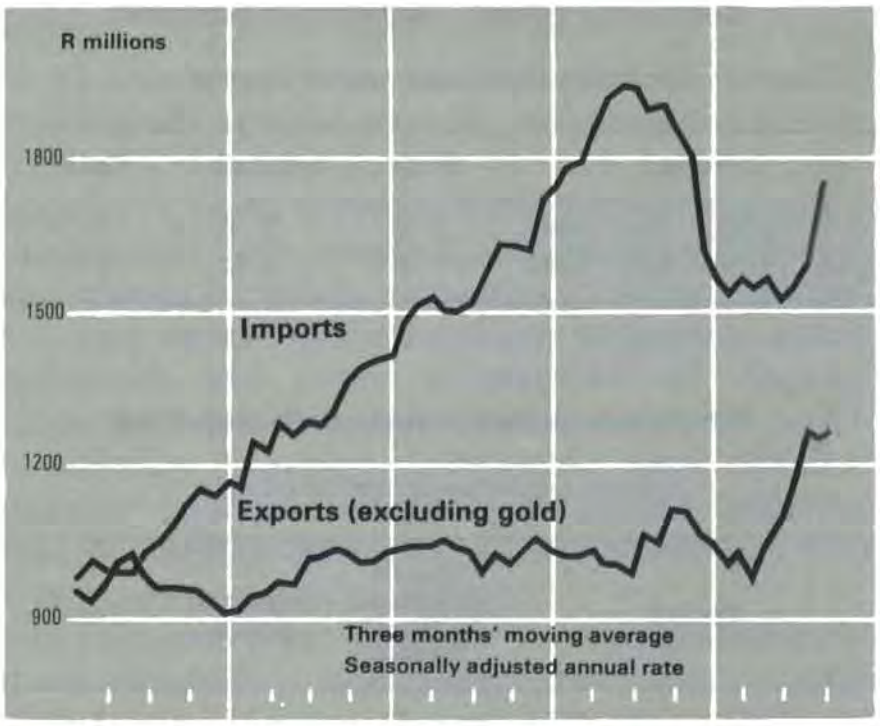
Balance of payments

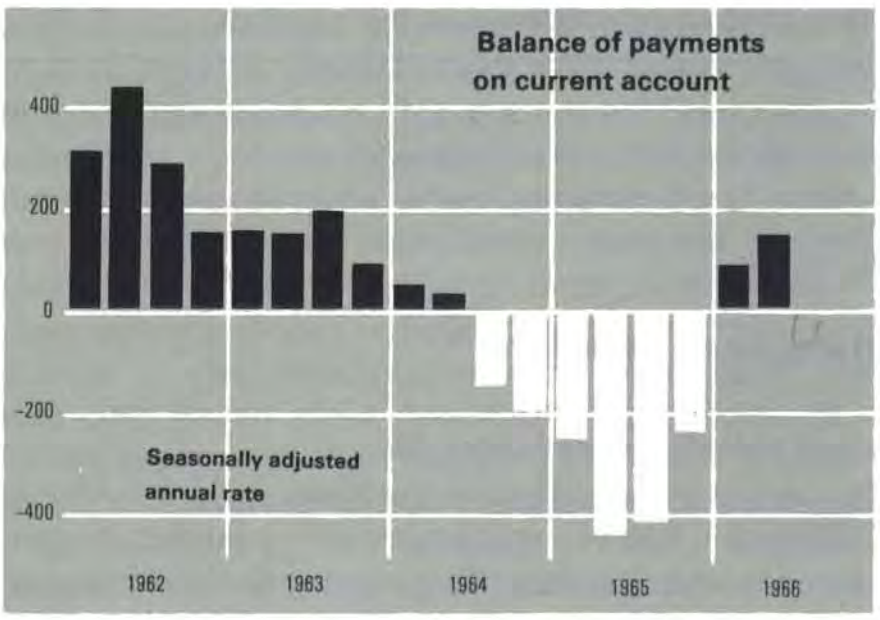
New deficit on current account

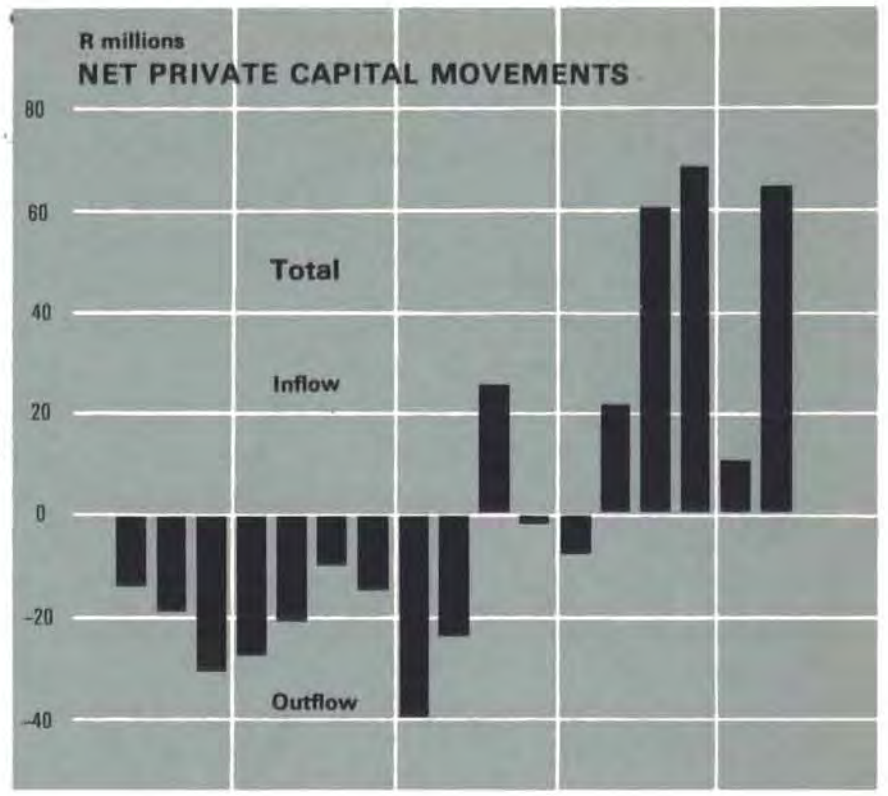
As set out in more detail in the Reserve Bank's *Annual Economic Report,* the seasonally adjusted current account of the balance of payments, taken at an annual rate, changed from a deficit of R424 million during the second quarter of 1965 to a surplus of R148 million during the second quarter of 1966, owing mainly to a substantial decline in imports. After the middle of 1966, however, the current account position began to change once again, particularly following the relaxation of import control announced in July. Thus, after declining from over R1,900 million during the second and third quarters of 1965 to R1,500 million during the second quarter of 1966, seasonally adjusted imports, taken at an annual rate, increased sharply to about R1,760 million in August. Although merchandise exports also increased strongly from May onwards and reached a new record annual rate of R1,430 million during August, this rise in imports was sufficient to produce a small deficit on the current account during the two-month period July to August.

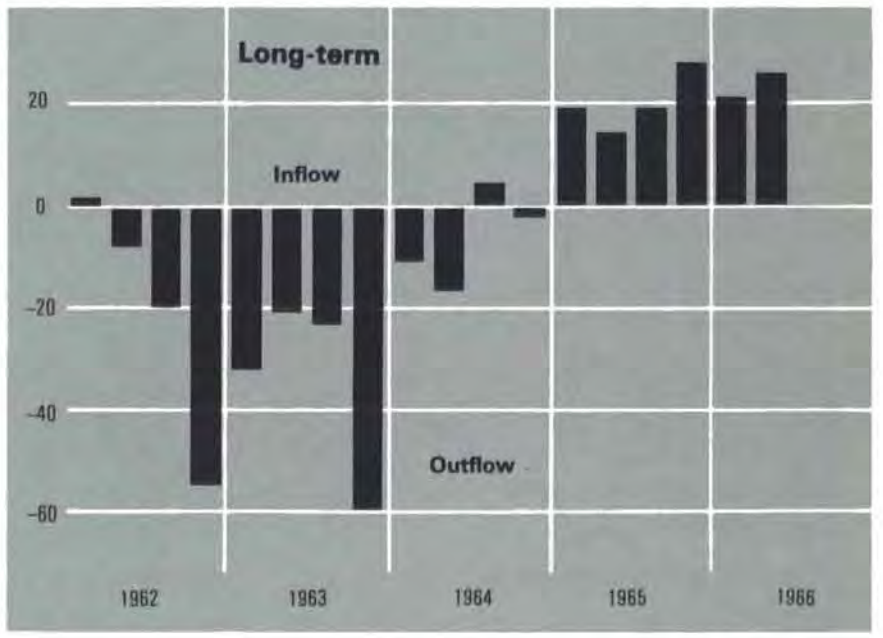
Continued net inflow of capital

But while the current account was transformed into a small deficit during July–August, the net private capital inflow continued at a rate of roughly R20 million per month, of which the greater part appeared to be short-term funds. Central government and banking sector capital, on the other hand, showed a small net outflow of R2 million during these two months.





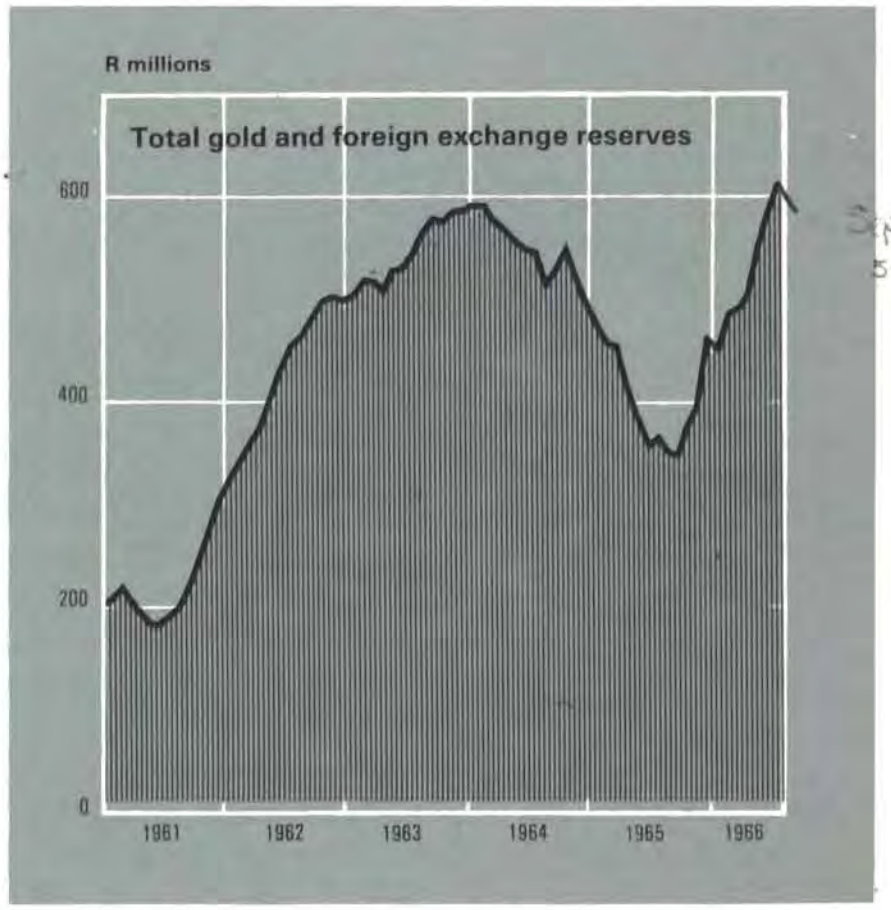




Gold and foreign exchange reserves

During July the total gold and foreign exchange reserves held by the Reserve Bank, the rest of the banking sector and the Government increased further by R26 million, but during August the net capital inflow was not quite sufficient to offset the current deficit, so that the reserves declined by about R6 million to a level just below R600 million.

The recent balance of payments developments, particularly the increase in imports and the disappearance of the surplus on current account, have been strictly in accordance with the official disinflationary policy and have therefore been welcomed by the authorities. To have continued using import control to produce a surplus on the current account of the balance of payments at a time when full employment and inflationary pressure existed in the economy and capital was flowing into the country, might seriously have aggravated the inflation.



Monetary and banking situation

Excessive liquidity of private sector

The private sector remained in an excessively liquid state during the period April to July. Total money and near-money actually increased by R150 million during the second quarter and by a further R36 million during July, i.e. by R186 million in four months. Furthermore, the ratio of money and near-money to gross national product during the second quarter amounted to the exceptionally high figure of 30 per cent, compared with 29 per cent during the corresponding quarter of 1965 and an average of roughly 27 per cent during the period 1954 to 1965. Despite the various disinflationary measures applied by the authorities during the preceding fifteen months, the monetary climate during the second quarter of 1966 was therefore, if anything, even more conducive to inflation than it had been a year earlier.

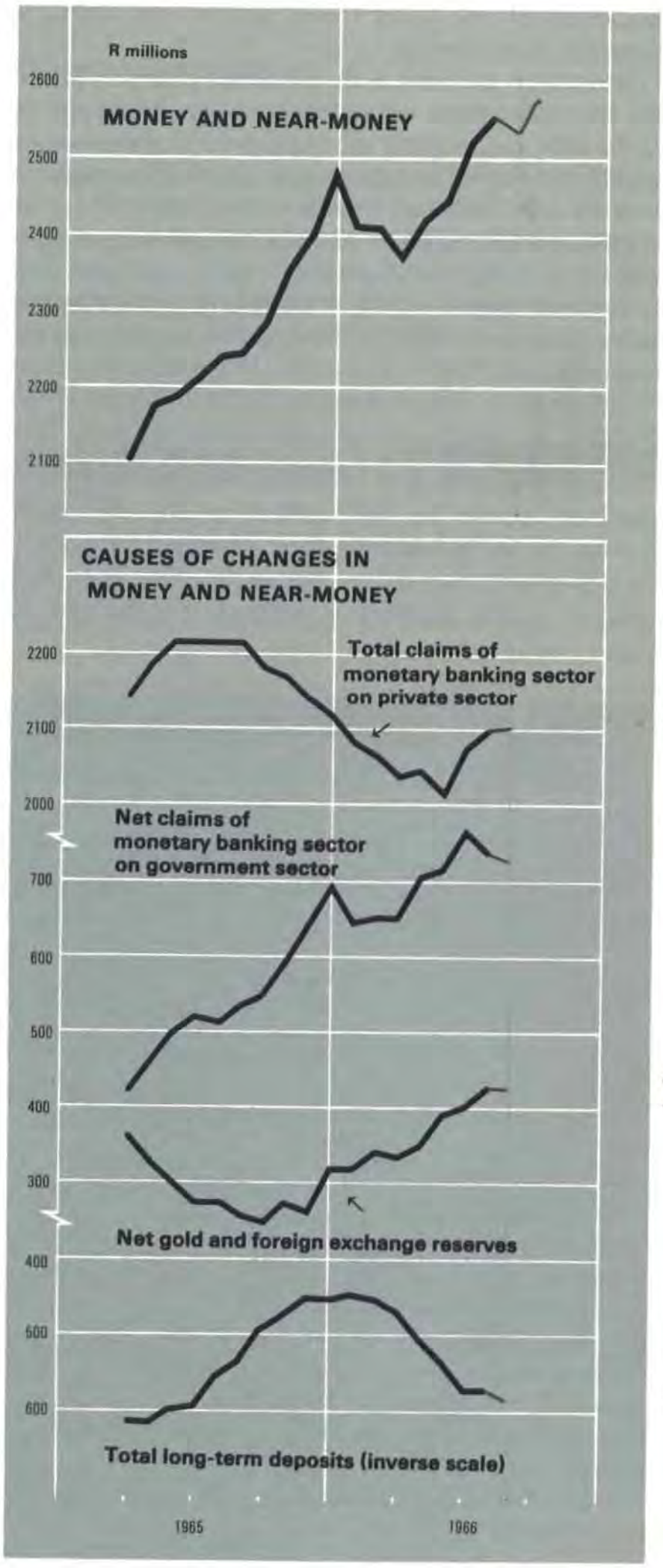
As the accompanying table shows, the main reason for the increase in total money and near-money during the second quarter was a further rise in the net credit extended directly or indirectly to the government sector by the monetary banking sector, as reflected in an increase of R112 million in the *net* claims of the banking sector on the government sector during this period. It is significant to note, however, that this tendency was reversed in July, when the banking sector's net claims on the government sector actually declined by R27 million. At the same time, it must be taken into account that both the increase during the second quarter and the decrease during July in these claims were partly of a seasonal nature.

Another important factor contributing to the further increase in total money and near-money was the favourable over-all balance of payments, which resulted in an increase of R66 million in the net gold and

Causes of changes in money and near-money

(Changes in consolidated assets and liabilities of monetary banking sector)

	R millions 1966		
	1st Qtr.	2nd Qtr.	July
Changes in money and near-money:			
Money	−39	126	−29
Near-money	−78	24	65
Total money and near-money	−117	150	36
Causes of changes:			
Net gold and foreign exchange reserves	18	66	24
Claims on government sector	32	136	2
Government deposits (increase −, decrease +)	−74	−24	−29
Net claims on government sector	−42	112	−27
Claims on private sector	−79	38	24
Long-term deposits (increase −, decrease +)	−16	−102	—
Other assets and liabilities	2	37	15
Total change	−117	150	36



foreign exchange reserves during the second quarter, followed by a further rise of R24 million in July. In addition, the banks also extended additional credit to the private sector, as reflected in increases of R38 million and R24 million during the second quarter and July, respectively, in the claims of the banking sector on the private sector. The latter increases were, however, mainly the result of a sharp rise in the cash credit advances of the Land Bank, which was largely a seasonal phenomenon.

Long-term deposits with the banking sector, which are not considered to be near-money, increased by R102 million during the second quarter, but showed no significant further change in July. Since these deposits had, however, declined substantially during the second, third and fourth quarters of 1965 before rising moderately during the first quarter of 1966, they were only R18 million higher in July, 1966, than a year earlier and still substantially (R42 million) below the level at the end of March, 1965.

Commercial banks

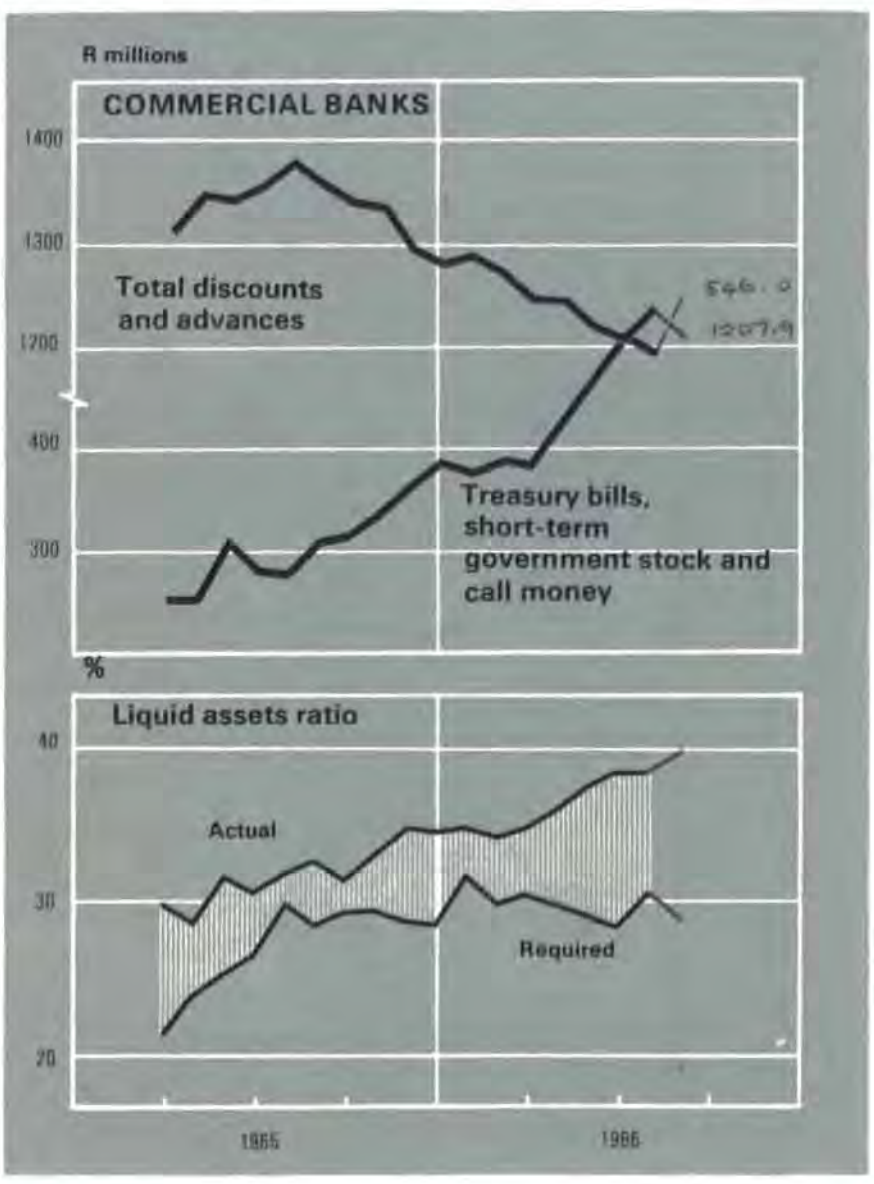
The total discounts and advances of commercial banks declined further by R40 million to R1,205 million during the second quarter, then increased temporarily by R30 million during July, before declining again by a roughly similar amount in August. At the end of August, the banks' "controlled credit", i.e. their discounts and advances subject to the Reserve Bank's credit directive, was more than R120 million or between 9 and 10 per cent below the permissible level. This suggests that the private sector was in general so liquid, as a result of the factors mentioned earlier, that it did not require additional commercial bank credit during this period.

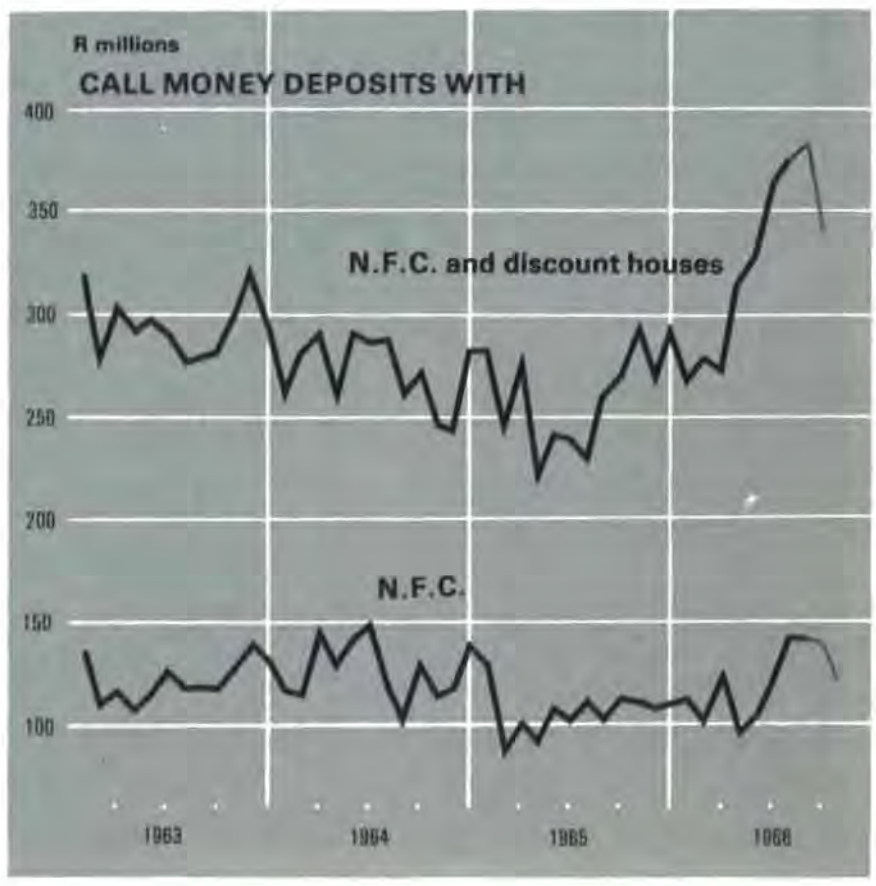
At the same time, as a result of such factors as the surplus on the over-all balance of payments and the Government's increased borrowing from the banks by means of Treasury bills and short-term stock, the commercial banks' total liquid assets increased further from R703 million at the end of March, 1966, to R878 million at the end of August, of which R243 million or 11 per cent of their total liabilities to the public represented *excess* liquid assets.

Merchant banks and monetary hire-purchase and general banks

The experience of merchant banks and monetary hire-purchase and general banks during the period April to July was broadly similar to that of the commercial banks. The "controlled credit" of the merchant banks, for example, declined from R55 million at the end of March to R53 million at the end of July, which was R7 million or 12 per cent below the "base" figure of March, 1965, while their "acceptance facilities utilised" declined from R150 million at the end of March, 1966, to R143 million at the end of July.

Similarly, although the controlled credit of monetary hire-purchase and general banks increased slightly by R3 million during the second quarter and by a further R3 million to R382 million at the end of July, it was still R19 million below the "base" figure of R402





million on the latter date. At that stage these banks maintained *excess* liquid assets of R73 million or nearly 13 per cent of their total liabilities to the public.

Increase in call money

In the existing circumstances it is understandable that call money held with discount houses increased from R149 million at the end of March to R242 million at the end of June, before declining to R232 million at the end of July. Similarly, call deposits with the National Finance Corporation increased from a low point of R95 million at the end of April to R143 million at the end of July.

Short-term interest rates

After declining from a peak of 4·43 per cent on the 28th January to 3·71 per cent on the 8th July, the Treasury bill tender rate, although showing weekly fluctuations, moved upward again to reach 4·22 per cent on the 23rd September. In general, this increase would appear to have been associated with the following factors:

(1) The increase in Bank Rate from 5 to 6 per cent on the 8th July;
(2) an increase of R62 million in government deposits with the Reserve Bank between the 8th July and the 23rd September;
(3) an increase of R65 million in total tender Treasury bills outstanding during this period;
(4) the issue of "tap" Treasury bills, which on the 19th July amounted to as much as R39 million; and
(5) the sale of government stock by the Reserve Bank to the National Finance Corporation from time to time under repurchase agreements.

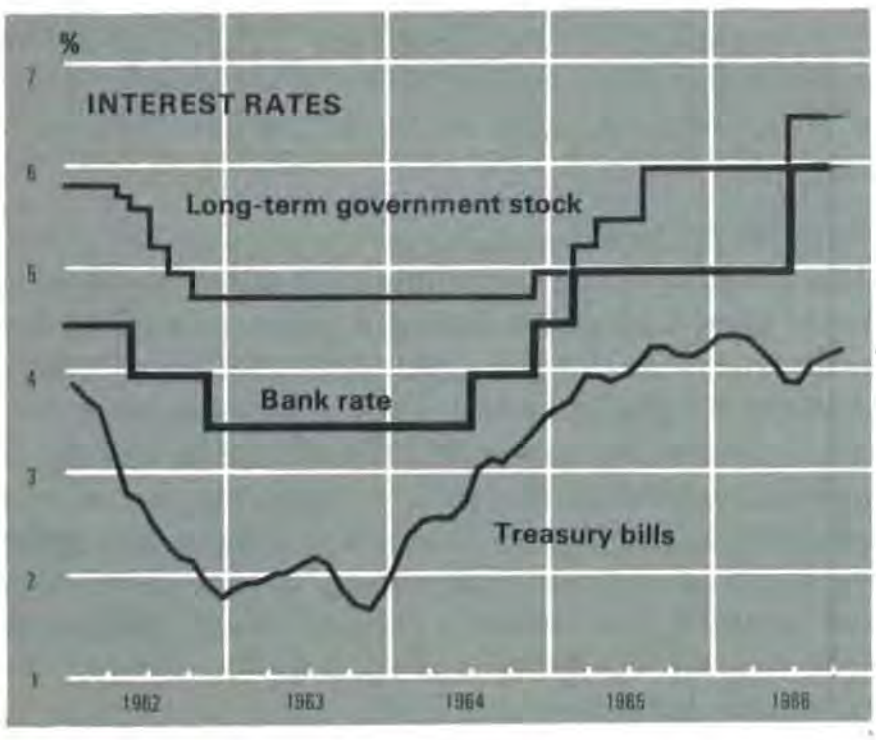
These tightening factors were partially offset by easing influences such as an increase of R23 million in the gold and foreign exchange holdings of the Reserve Bank and a rise of R17 million in Reserve Bank credit to the Government and other institutions outside the money market proper.

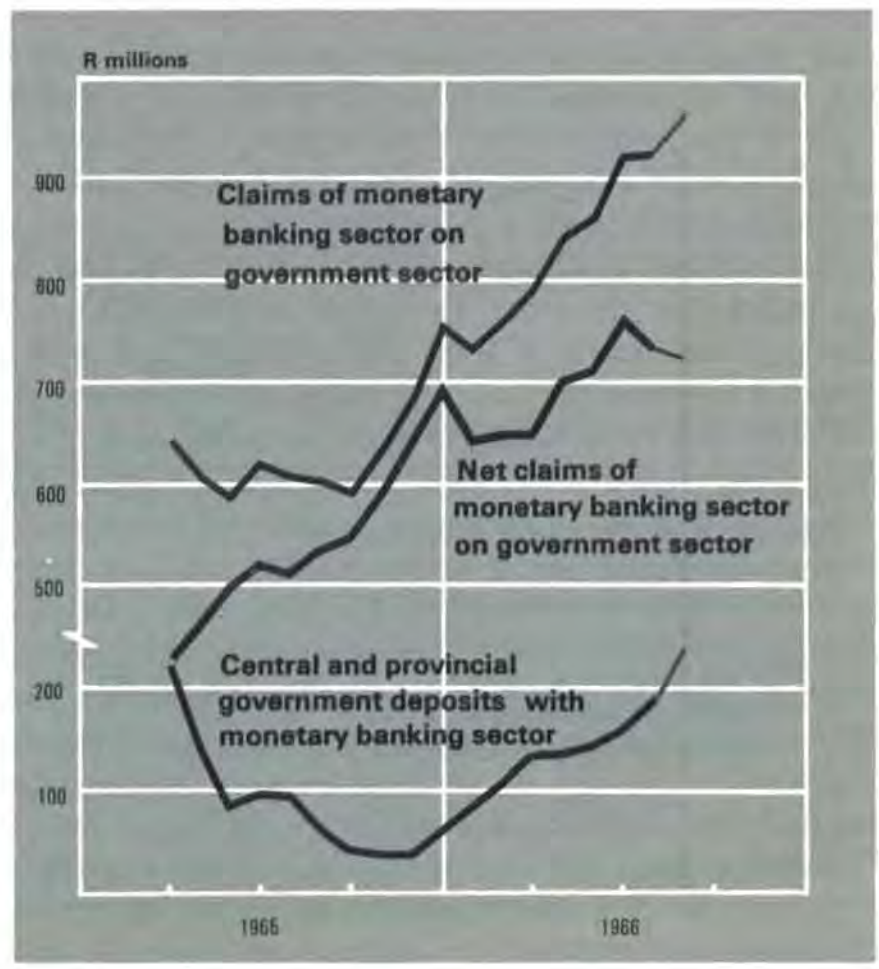
An interesting development during the period under discussion was an upward adjustment as from the 29th July in the call money rate of the National Finance Corporation, namely to 15 cents below the tender Treasury bill rate as compared with about 25 cents formerly.

Government finance

It was mentioned earlier that the main reason for the increase of R150 million in total money and near-money during the second quarter of 1966 was a further rise in the net credit extended directly or indirectly to the government sector by the monetary banking sector, as reflected in an increase of R112 million in the net claims of the banking sector on the government sector during this period. The latter increase, in fact, arose from an increase of R136 million in the banking sector's holdings of Treasury bills, government stock and other claims on the government sector, which was offset to an amount of R24 million by a rise in government deposits.

During July the banking sector's gross claims on the government sector increased further by R2 million, but since government deposits increased by R29 million, the *net* claims of the banking sector on the government sector declined by R27 million. This was a most welcome development, since the avoidance of a further rise in net bank credit to the government sector forms





an important part of current monetary and fiscal policy, which aims *inter alia* at reducing the excessively high ratio of money and near-money to gross national product. Indeed, in his recent Budget speech, the Minister of Finance placed great emphasis upon the desirability of financing government expenditure in a non-inflationary way, i.e. by means of taxes and long-term loans from outside the monetary banking sector. To this end, the rate of interest on long-term government stock was raised on the 8th July, while the Minister announced in his Budget speech that legislation would be introduced during the current session of Parliament to require insurance companies, pension funds and unit trusts to hold more government stock.

It must be noted, however, that the "government sector" referred to in the above analysis includes not only the South African Central Government but also provincial administrations, the Administration of South West Africa, the Government of the Transkei and the administrations of Basutoland, Bechuanaland and Swaziland. The main developments during recent months in the Exchequer Account as such are summarised in the accompanying table. It appears that during the second quarter of 1966 the Exchequer had to increase its indebtedness to the monetary banking sector by R129 million and that this was offset to the extent of only R72 million by a rise in government deposits, so that the Exchequer's *net* indebtedness to the banking sector increased by as much as R57 million. This was, however, partly a seasonal movement and during July the position improved considerably, as the Exchequer succeeded in reducing its net indebtedness to the banking sector by R7 million.

Exchequer finance

R millions

	1966	
	2nd Quarter	July
Total deficit, excluding borrowing . .	107	16
Financing—		
Change in net indebtedness to :		
Foreign sector	4	4
Private non-bank sector	28	7
Public Debt Commissioners . . .	18	12
Monetary banking sector :		
Change in government securities .	129	2
Change in Exchequer balance * . .	−72	−9
Total	57	−7
Total financing	107	16

* Increase −, decrease +.

Capital market

The increase in the supply of loanable funds stemming from the further rise in money and near-money during the period April to July naturally prevented the tendency for capital expenditure to exceed the available supply of savings from having its full effect on capital market conditions. Nevertheless, conditions remained tight in most sections of the capital market and further upward pressure was exerted on long-term interest rates during this period.

Rise in rates on fixed interest-bearing securities

In the gilt-edged market, for example, this pressure led the Reserve Bank, as part and parcel of the official anti-inflationary policy, to raise its rates for government stock with maturities of $10\frac{1}{2}$ years and longer on a graduated scale, starting with 6 per cent for maturities of $10\frac{1}{2}$ years and longer to $6\frac{1}{2}$ per cent for maturities of 25 years and longer. This adjustment was followed by an increase in the yields on municipal and public corporation securities. Indeed, recently announced issues of such securities offered a yield to redemption as high as 7·2 per cent, compared with about $6\frac{3}{4}$ per cent in May. The yield on new issues of private debentures, which had already risen to as much as $7\frac{3}{4}$ per cent by the middle of 1966, also increased further.

Share prices and yields

The prices of all the major classes of shares, with the exception of mining financial shares, tended either to level out or to decline during the second quarter and July. Gold mining share prices fluctuated around a more or less horizontal level, while the prices of coal mining, industrial financial, industrial and commercial shares showed noticeable declines during June and July. The average yield on gold mining shares continued its upward course and stood at 9·3 per cent in July, compared with 9·1 per cent in April, while that on industrial and commercial shares declined to about 5·0 per cent in April before increasing to 5·3 per cent in June.

Building societies

The position of the building societies remained relatively tight during the period April to July and they were again unable to meet completely the strong demand for their mortgage loans. They did, nevertheless, succeed in increasing their mortgage and other loans outstanding by R20 million and in adding another R20 million to their liquid assets and other investments during these four months. Moreover, during June and July the rate at which they were granting new advances was considerably higher than during the early months of 1966.

Statement regarding anti-inflationary measures

by the Honourable the Minister of Finance,
Dr. T. E. Dönges

8th July, 1966

Last year the authorities introduced various measures to counter the two dangers which threatened the South African economy, namely, inflation and the decline in our foreign reserves.

The second danger has been averted, at least for the present, and our total reserves now stand at the satisfactory level of approximately R585 million, thanks to an improvement in the balance of payments on current account as well as an inflow of foreign capital.

The measures taken against the first (and related) danger, namely inflation, have also had a measure of success, so that a reduction in the excessive rate of expansion of the economy set in after the middle of 1965. During the first quarter of 1966 gross domestic expenditure actually fell below the gross national product. General economic activity, however, remained unduly high, and the desired effect of the monetary and other measures was to a large extent offset by various factors, particularly the inflow of foreign capital, which sustained the liquidity of the economy at too high a level.

Although there is no reason for undue concern, the Government nevertheless feels that, because of the neutralising factors, the existing measures have worked too slowly, and that it is desirable to take effective steps to eradicate the inflationary danger more rapidly. In the short run these steps may cause a measure of inconvenience in, and even a pause in the growth of, certain sectors of the economy, but they are absolutely necessary in order to ensure the economic stability of the Republic and to create the conditions for further economic expansion at a sustainable rate.

The evils of inflation, especially for the salary and wage-earner, the pensioner and the gold mining and other export industries are well known. The Government is therefore determined to ensure the internal and external stability of the rand and to combat inflation effectively.

It is essential that the measures should penetrate to the heart of the problem, namely, the excessive monetary demand. In this connection the Government has in view a four-point attack on inflation.

The first group of measures are intended as a positive encouragement to saving. The South African Reserve Bank's pattern of rates for long-term Government securities (i.e. exceeding ten years) will be progressively increased so that the rate for stocks of 25 years and over will be 6½ per cent. The restrictions on interest rates payable on deposits with financial institutions will be lifted immediately, so that these institutions can compete freely for the savings of the public. In addition, the conditions of investment in, *inter alia*, the Post Office Savings Bank and National Savings Certificates will be broadened and made more attractive – particulars will be announced shortly.

The second aim of the authorities is to slow down the excessive pace of capital and consumption expenditure. With this object in view the Reserve Bank has decided, after the customary consultation with the Treasury, to raise its discount rate from 5 per cent to 6 per cent. The general rise in interest rates, which will probably follow this step as well as the first group of measures, will also promote this second objective. In addition the Reserve Bank's request to the monetary banks to limit their discounts, loans and advances to the private sector to the total of these items as at 31st March, 1965 (plus a special increase of 2½ per cent which must be used exclusively for the agricultural sector) will be extended for a further period of six months from 30th September, 1966. I wish to emphasise that the abovementioned increases in interest rates will, it is hoped, be of comparatively short duration; it will strengthen the anti-inflationary forces substantially if less urgent spending is postponed until the overheating of the economy has been eliminated and rates can again be reduced.

The third point of the authorities' attack on inflation consists of fiscal measures. These measures cannot be announced before my Budget Speech next month. I wish to state now, however, that the Government is

determined to finance State expenditure as far as possible in a non-inflationary manner. This requires that State capital expenditures be met to a larger extent from long-term loans (i.e. genuine savings). The higher rates of interest for long-term Government loans, as well as the more attractive conditions offered to the individual saver, should help the Government to achieve this object. It will, however, also be necessary to take special steps to bring about a greater degree of investment in Government securities by life assurance companies, pension funds and perhaps certain other financial institutions. Proposals in this connection will be submitted to Parliament.

As a fourth measure against inflation my colleague, the Minister of Economic Affairs, has decided to relax import control in respect of certain types of goods on a selective basis. Dr. Diederichs will make an announcement in this connection shortly.

The measures which are now being applied may in some cases affect the lower and middle income groups in the short run, but it is precisely these groups who will suffer relatively the greatest loss in the long run if these steps are not taken. On the other hand, these income groups will reap relatively the greatest benefit in the long run from the steps the Government is taking to combat price increases. The Government will also act positively to protect the interests of these groups as far as possible in the period of adjustment. In particular, prices will be closely watched and the Government will not hesitate to act if unjustified price increases should occur. This applies of course to all price increases, but increases in food prices especially will be very carefully scrutinized.

The producers' prices for most food products, which – mainly because of drought conditions – had to be increased, have already been fixed for the current season and have therefore already come into force. The Government will of course continue to have close regard to the interests of farmers, but will at the same time ensure that consumers' prices of essential foodstuffs are kept within reasonable limits. The food processing industries and the distributive trade have already passed on the effect of the increased producers' prices to the consumer. The Government therefore appeals to commerce and industry to do their share in maintaining the stability of food prices, which play such a strategic role in our struggle against inflation.

Rents of dwellings and other buildings are, like food prices, another strategic factor in the cost of living, and the Government regards any further increases in rents at this stage as entirely undesirable. The Government will therefore keep this aspect also under close surveillance.

Furthermore, if rates of interest on mortgage bonds have to be increased, the Government appeals to building societies and other financial institutions to extend the duration of mortgage loans wherever possible rather than to raise the payments on the loans.

The struggle against inflation, which is a world-wide phenomenon, demands sacrifices from all sections of the community. It requires a high sense of responsibility and restraint among employees and traders in fixing wages, salaries and prices. It requires also strong and resolute action by the authorities in the directions set out above. If the Government should shrink from its responsibility, it would seriously jeopardize the future economic stability of the Republic. But I trust that, if we all stand together to win the war against inflation, we shall be able, after the necessary period of adjustment, to usher in a new phase of stable economic progress.

Notes to tables

1. Table S–31 : Exchequer Account

The analysis of the Exchequer Account, comprising the Revenue, Loan and Bantu Education Accounts, as presented in Table S–31, shows the total receipts and issues and the resultant deficit (or surplus), exclusive of borrowing, on that account, as well as a sectoral classification of the financing of this deficit. Receipts and issues (excluding borrowing) are shown on a consolidated basis, i.e. transfers between the different accounts as well as standing appropriations, which appear as both receipts and issues, are omitted.

Two different approaches may be used to determine the contribution of individual sectors to the financing of the deficit on the Exchequer Account through net borrowing. A particular sector's contribution may be calculated as the amount invested by that sector in government securities (net of redemptions), irrespective of whether such funds represent proceeds of transactions in existing government securities with other non-government sectors or not. Each sector's contribution would thus represent the flow of funds between it and the Exchequer. An alternative approach would be to calculate each sector's *net* contribution to Exchequer financing in the sense of funds invested in government securities (net of redemptions), excluding transactions with non-government sectors in existing government securities. The latter approach has the advantage of disclosing the net ultimate contribution to the financing of the Exchequer as measured by changes in each sector's holdings of government securities. In other words, in contrast to the flow-of-funds approach mentioned above, it would reflect the Exchequer's net indebtedness to the various sectors, or the latter's claims on the Exchequer, except in the case of the banking sector, where the *net* indebtedness is obtained by setting off the Exchequer's cash balance with the banking sector against its indebtedness to this sector. The more meaningful latter approach is now used in Table S–31 in the *Quarterly Bulletin* in the place of the former which was employed in the previous two issues.

The difference between the two methods is clearly illustrated by the role played by the Public Debt Commissioners in Exchequer financing during the year ended 31st March, 1966. During that period the Commissioners supplied funds directly to the Treasury amounting to R64 million, net of redemptions. However, an amount of about R48 million of these funds was obtained by the Commissioners through net sales of government stock to the banking and other sectors for whom the Commissioners, in effect, therefore merely acted as intermediaries in channelling such funds to the Exchequer. Consequently the Public Debt Commissioners' net contribution, as measured by the change in their holdings of central government securities, actually amounted to only R16 million during this period.

In Table S–31 an attempt has been made to classify the ultimate providers of funds to the Exchequer in the most meaningful way from the point of view of economic analysis. Changes in the Exchequer's net indebtedness to the banking sector, or in the latter's net claims on the Exchequer, for instance, have an important influence on changes in the quantity of money and near-money and thus a potential inflationary or deflationary effect. Similarly, changes in the Exchequer's net indebtedness to the foreign sector may have an influence on the quantity of money and near-money via its effect on the country's gold and foreign exchange reserves. Intra-governmental transactions are distinguished from those with other sectors in the economy, and the Public Debt Commissioners' contribution is shown separately because of its important role in Exchequer financing and also because the Commissioners constitute the largest single holder of government debt. Increases in the Exchequer's net indebtedness to the Public Debt Commissioners arising out of funds invested by the Commissioners on behalf of non-government sectors, such as pension funds, may normally be regarded as non-inflationary financing, in the same way as a rise in the Exchequer's net indebtedness to the private non-bank sector.

Attention is drawn also to the fact that changes in

the Exchequer's net indebtedness to the banking sector form a link with the Reserve Bank's monetary analysis, in which changes in the banking sector's claims on the government sector (which includes not only the Exchequer but also the provincial administrations, the Administration of South West Africa, etc., are treated as a cause of changes in the quantity of money and near-money. This link is evident from the following reconciliation of Table S–31 with Table S–19:

	1965/66 (R millions)
Change in banking sector's *net* claims on government sector:	
Exchequer (see Table S–31)	212·7
Provincial Administrations	−8·1
Other	27·5
Less valuation adjustment	−0·5
Total (see Table S–19)	231·6

Table S–31 presented in this issue of the *Quarterly Bulletin* differs from the one published in the previous two issues in various respects. Total receipts and issues are now shown on a consolidated rather than on a gross basis as before, while the contributions of the various sectors to Exchequer financing are derived in the present issue, as mentioned above, from the Exchequer's net indebtedness to these sectors. Various sectors for which statistics were not available under the approach adopted previously are now also distinguished.

2. Tables S–63: Price indices

The seasonally adjusted indices of consumer prices have been revised as from August, 1965. The reason for the revision is that, while the results of the annual census of rent conducted by the Bureau of Statistics are usually incorporated in the unadjusted indices in the following July or August, in the case of the 1964 census, particulars regarding house rent and servants' wages were incorporated only from April, 1966, and those relating to flat rent only from June, 1966. As the delay in the incorporation of the relevant statistics is regarded by the Bank as a change in the seasonal pattern, only the seasonally adjusted indices were revised accordingly. The adjustments refer only to the three columns "Housing and related items", "Other, total" and "Total".

3. Attention is drawn to the fact that the figures in the following tables have been revised:

(a) Table S–21. Liquid assets of the private sector with the government sector.
(b) Tables S–34 and S–35. Ownership distribution of domestic marketable stock debt of Central Government.
(c) Table S–36. Ownership distribution of marketable Treasury bills.
(d) Table S–61. Indices of the physical volume of production – Electric current generated.
(e) Table S–62. Labour statistics – Private manufacturing.

Kwartaallikse ekonomiese oorsig

Belangrikste verwikkelinge

Gedurende die tydperk April tot Augustus 1966 was daar uiteenlopende neigings in die Suid-Afrikaanse volkshuishouding. Sowel vaste kapitaalbesteding as voorraadinvestering, wat alreeds gedurende die eerste kwartaal van 1966 afgeneem het, het gedurende die tweede kwartaal verder gedaal. Hieruit wou dit voorkom asof 'n meer algemene verlangsaming in die ekonomie en 'n afname in die inflasionistiese druk op hande was. Baie ander ekonomiese aanwysers het egter op die teenoorgestelde gedui, naamlik na 'n nuwe sikliese opswaai.

Maar hoewel daar onsekerheid was oor die rigting waarin die ekonomie van voornemens was om te beweeg, het die feite duidelik aangedui dat (1) die ekonomiese groei, ondanks die uitwerking van die droogte, teen 'n baie bevredigende koers voortgegaan het, (2) algemene ekonomiese aktiwiteit en indiensneming op 'n baie hoë peil was, (3) die ekonomie in 'n besonder likwiede toestand was en (4) die onderliggende monetêre vraag na goedere en dienste nog geneig het om oormatig te wees. Die inflasionistiese druk het inderdaad geblyk so sterk en volgehoue te wees dat die bestaande anti-inflasionistiese maatreëls verleng en progressief uitgebrei moes word met die doel om die koers van toename in totale kapitaal- en verbruiksbesteding te beteuel.

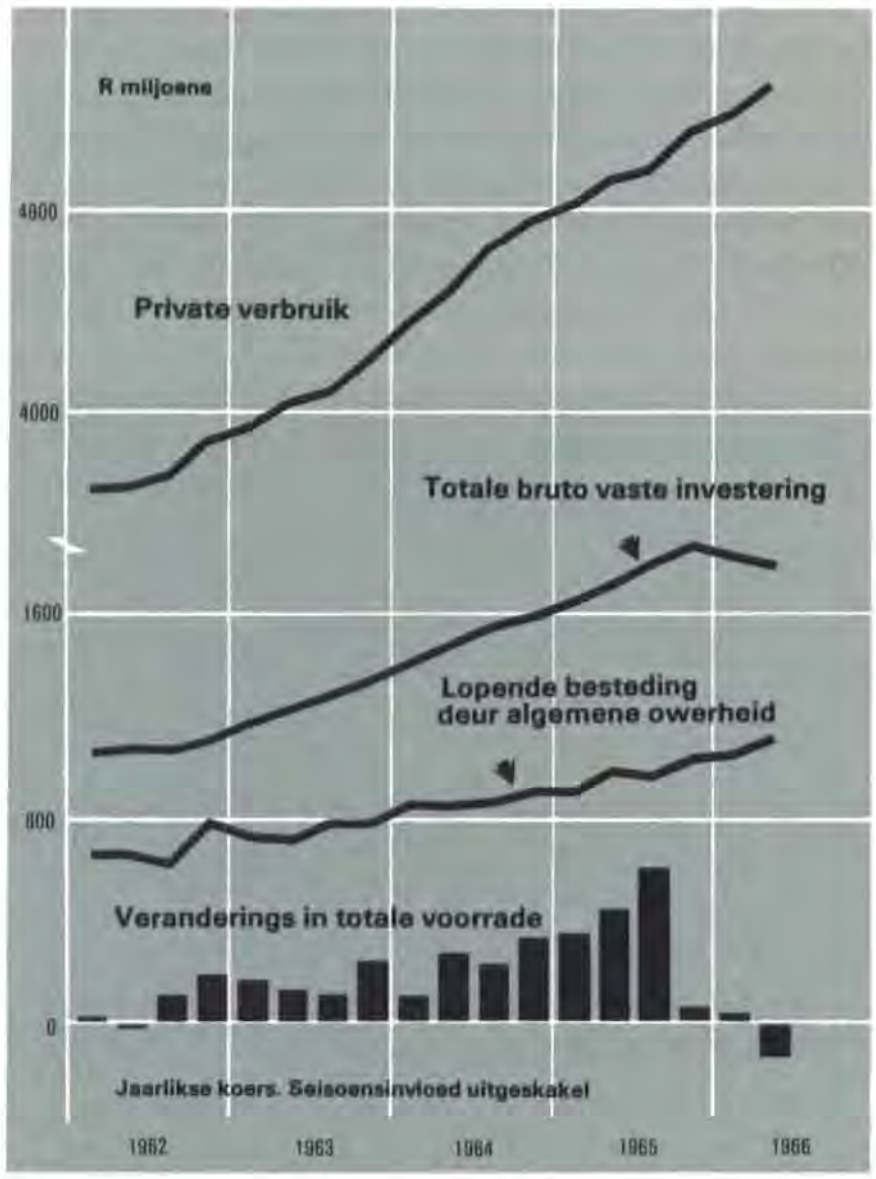
Op 8 Julie 1966 het die Minister van Finansies gevolglik 'n nuwe en omvattende aanval op inflasie aangekondig. Die maatreëls het ingesluit 'n verhoging in die bankkoers van 5 na 6 persent, verhogings van rentekoerse op langtermyn-staatseffekte, die afskaffing van depositokoersbeheer, die verlenging van die bestaande direkte beperkings op bankkrediet vir 'n verdere tydperk van ses maande en die verslapping van invoerbeheer, sowel as fiskale maatreëls, waarvan besonderhede daarná in die Begroting op 17 Augustus aangekondig is. Die Begroting het in werklikheid voorsiening gemaak vir aansienlike toenames in 'n groot verskeidenheid van direkte en indirekte belastings en het in verskeie ander opsigte die Regering se voorneme om sy besteding op 'n nie-inflasionistiese wyse te finansier, weerspieël.

Die betalingsbalans het 'n redelik aansienlike oorskot op die lopende rekening gedurende die tweede kwartaal van 1966 getoon, maar dit is gedurende die tydperk Julie tot Augustus in 'n klein tekort omskep, gedeeltelik weens die verslapping van invoerbeheer as 'n doelbewuste disinflasionistiese stap. Private kapitaal het egter voortgegaan om die land op so 'n skaal in te vloei dat die totale goud- en buitelandse valutareserwes sterk toegeneem het tot aan die einde van Julie, voordat dit gedurende Augustus effens gedaal het.

Nasionale rekeninge[1]

Voortgesette styging in bruto binnelandse produk

Uit voorlopige aanduidings wil dit voorkom asof die bruto binnelandse produk, gemeet in geldelike terme, gedurende die eerste helfte van 1966 teen 'n ietwat hoër jaarlikse koers as gedurende die vorige jaar toegeneem het, maar dat dit in reële terme teen ongeveer dieselfde jaarlikse koers as gedurende 1965, naamlik ongeveer 5 persent, toegeneem het. Die bruto nasionale produk het insgelyks voortgegaan om sterk te styg en, in skerp teenstelling met die voorafgaande agtien maande, die bruto binnelandse besteding in sowel die eerste as tweede kwartaal van 1966 oorskry, wat beteken dat daar 'n oorskot op die lopende rekening van die betalingsbalans gedurende dié tydperk was.

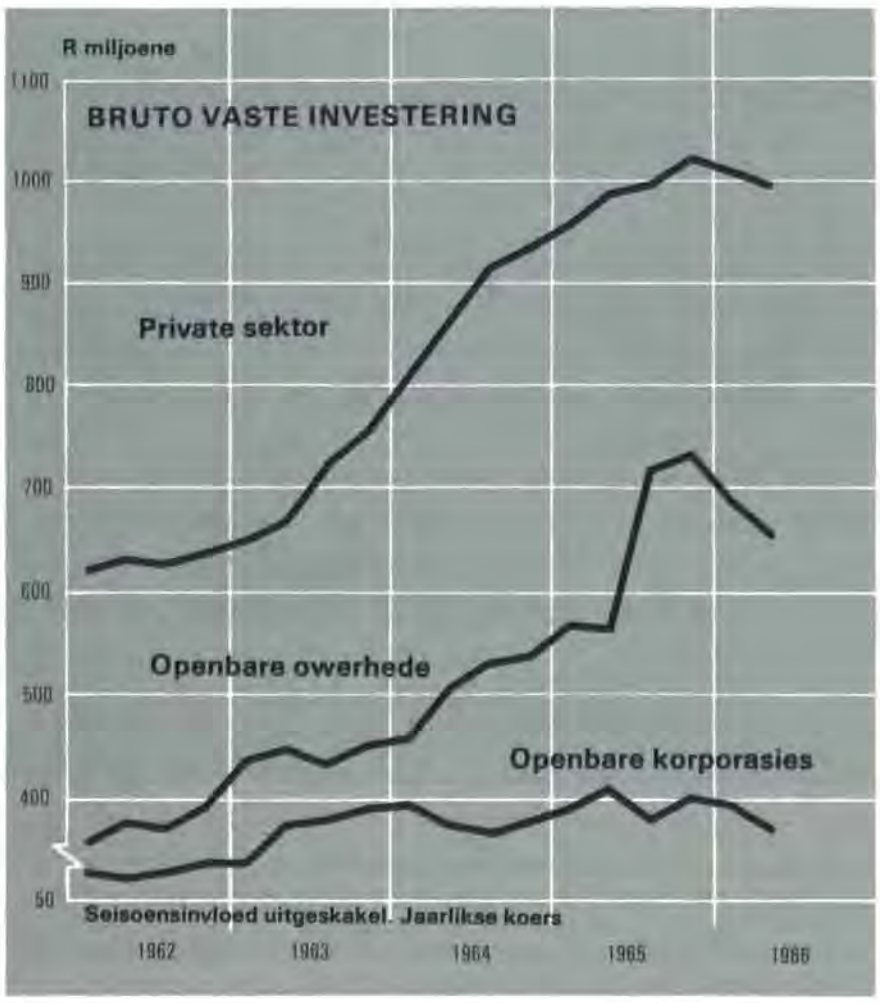


[1] Die ontleding in hierdie afdeling van die *Oorsig* is hoofsaaklik gebaseer op die Reserwebank se kwartaallikse ramings van die nasionale rekeninge, *ná uitskakeling van die seisoensinvloed*. Aangesien hierdie syfers nog nie as betroubaar genoeg vir publikasie beskou word nie, word die ontleding van kwartaallikse verwikkelinge tot die beskrywing van breë tendense beperk.

Toename in bruto binnelandse besteding

Die bruto binnelandse besteding self het, alhoewel dit laer as die bruto nasionale produk gebly het, gedurende die eerste sowel as die tweede kwartaal van 1966 toegeneem. Die hoofkomponente van bruto binnelandse besteding het egter uiteenlopende neigings gedurende hierdie tydperk getoon. Sowel private verbruik as die lopende besteding van openbare owerhede het sterk gestyg, maar die vaste kapitaalbesteding van private sake-ondernemings, openbare owerhede en openbare korporasies het almal matige dalings getoon. Boonop het voorraadinvestering, wat alreeds gedurende die twee voorafgaande kwartale aansienlik gedaal het, aangehou daal en het dit gedurende die tweede kwartaal selfs negatief geword, d.i. die totale voorrade is in werklikheid verminder.

Dit is tans nog te vroeg om die werklike betekenis van hierdie neigings in besteding te bepaal. Vaste kapitaalbesteding en voorraadinvestering is normaalweg strategies belangrike opwekkers van inkome en 'n afwaartse beweging daarin is soms die voorloper van 'n meer algemene verlangsaming in die volkshuishouding. Dit is egter nog nie met sekerheid vasgestel dat daar 'n egte daling in vaste kapitaalbesteding plaasgevind het nie, terwyl die gedrag van voorraadinvestering ongetwyfeld in 'n sekere mate deur die strenger toepassing van invoerbeheer beïnvloed is, en dit beteken dus nie noodwendig 'n belangrike verandering in die onderliggende sikliese neiging in die volkshuishouding nie. Nogtans, nieteenstaande hierdie voorbehoude, wil dit voorkom asof die onderliggende vraag na ten minste kapitaalgoedere tekens van 'n meer gelyke verloop toon en uit die oogpunt van die vermindering van die inflasionistiese druk is dit 'n bemoedigende verwikkeling.



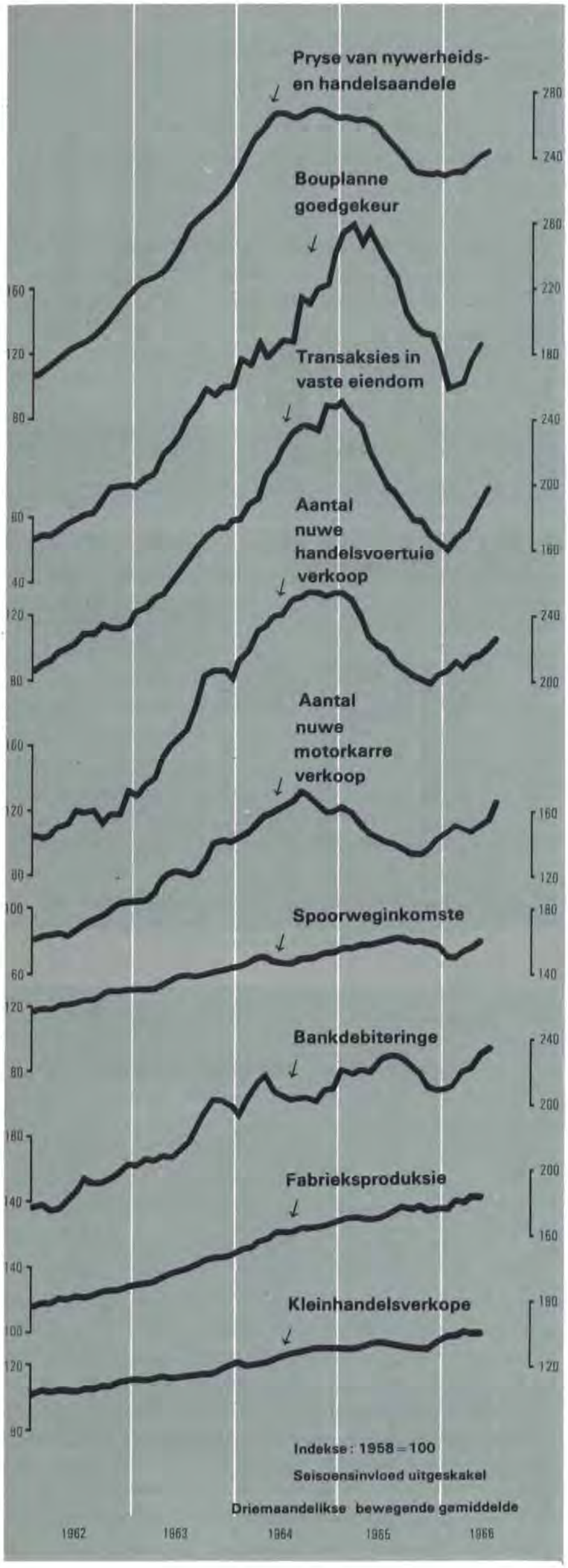
Algemene ekonomiese aanwysers

Die taak om onlangse korttermynneigings in die volkshuishouding te ontleed word verder bemoeilik deur die feit dat hoewel beide vaste en voorraadinvestering gedurende die eerste en tweede kwartaal van 1966 afgeneem het, verskeie ander ekonomiese aanwysers, wat gedurende 1965 òf afgeneem òf meer gelyk begin verloop het, op 'n stadium tussen Oktober 1965 en April 1966 in werklikheid weer begin het om te styg. Hierdie aanwysers sluit in bouplanne goedgekeur, transaksies in vaste eiendom, aantal nuwe motors verkoop, aantal nuwe handelsvoertuie verkoop, bankdebiteringe, spoorweginkomste, fisiese volume van fabrieksproduksie en kleinhandelsverkope. Boonop, soos hieronder in meer besonderhede aangedui word, het die uitvoer en die netto invloeiing van private kapitaal 'n aansienlike toename na Maart 1966 getoon, terwyl die invoer in Augustus merkbaar gestyg het, nadat invoerbeheer verslap is.

Opsigself dui hierdie verwikkelinge meer op 'n potensiële nuwe ekonomiese opswaai, met inflasionistiese gevolge, as op 'n verdere verlangsaming van algemene ekonomiese bedrywigheid. Ten minste lewer hulle aanduidings van die voortgesette veerkragtigheid en volgehoue optimisme in die ekonomie en help om te verklaar waarom die inflasionistiese druk gedurende die eerste helfte van 1966 voortgeduur het en waarom die owerheid dit nodig gevind het om verdere dis-inflasionistiese maatreëls in Julie en Augustus toe te pas. Hierdie maatreëls het waarskynlik alreeds 'n ietwat beperkende invloed op monetêre vraag gehad en sal sonder twyfel, in die maande wat kom, 'n verdere uitwerking toon. Aangesien die meeste van die beskikbare statistiek slegs op die tydperk tot Julie betrekking het, en in die geval van die nasionale rekeninge slegs tot Junie, is dit nog nie moontlik om noukeurig te bepaal wat die invloed van die bykomende maatreëls sover was nie. Wat die beskikbare statistiek egter wel toon is dat dit inderdaad baie noodsaaklik was om bykomende maatreëls in die een of ander vorm toe te pas.

Pryse

Die voortsetting van inflasie in Suid-Afrika gedurende die eerste agt maande van 1966 word ook aangedui deur die verloop van die verbruikers- en groothandelsprysindekse, soos aangesuiwer vir seisoensveranderings deur die Reserwebank. Soos bygaande opsommende tabelle toon, het verbruikerspryse gedurende die eerste agt maande van 1966 teen ongeveer dieselfde jaarkoers as gedurende 1965 gestyg, terwyl groothandelspryse gedurende die eerste sewe maande van 1966 teen ongeveer dubbel die koers van 1965



gestyg het, wat 'n vinniger styging in die pryse sowel van ingevoerde as plaaslik-vervaardigde goedere weerspieël. Die versnelling in die pryse van plaaslik-vervaardigde goedere is toe te skryf aan 'n versnelde styging in die pryse van vervaardigde produkte sowel as produkte van die landbou, bosbou en visserye.

Verbruikerspryse – seisoensinvloed uitgeskakel

Jaarlikse persentasiekoers van verandering

Tydperk	Voedsel	Ander	Totaal
Des. 1964 – Des. 1965	2·0	3·7	3·2
Des. 1965 – Aug. 1966	3·6	3·0·	3·1

Groothandelspryse – seisoensinvloed uitgeskakel

Jaarlikse persentasiekoers van verandering

Tydperk	Goedere geproduseer in Suid-Afrika	Ingevoerde goedere	Totaal
Des. 1964 – Des. 1965	2·8	1·4	2·4
Des. 1965 – Julie 1966	4·9	5·3	5·0

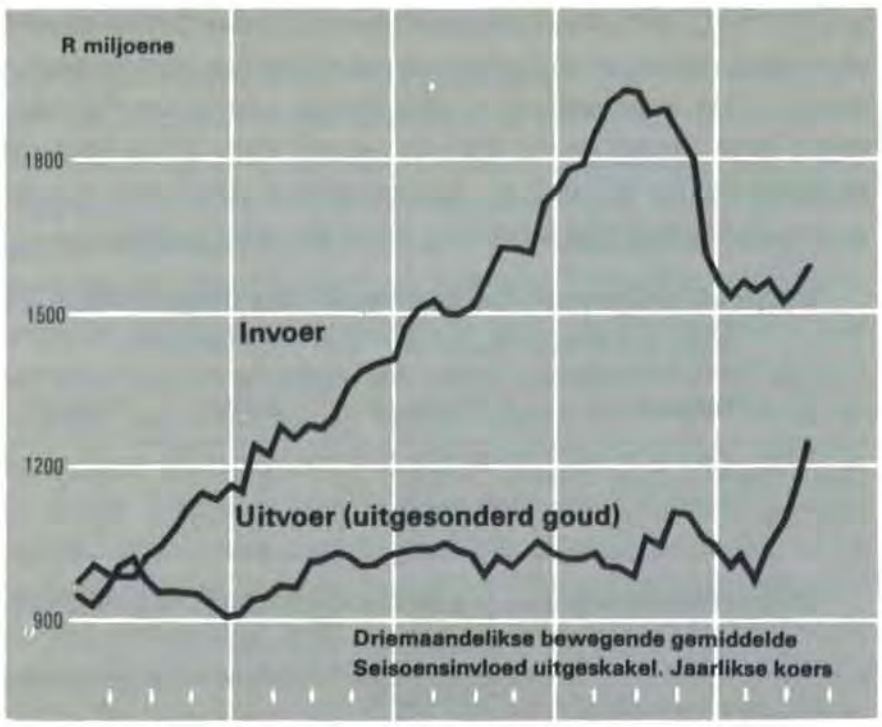
Betalingsbalans

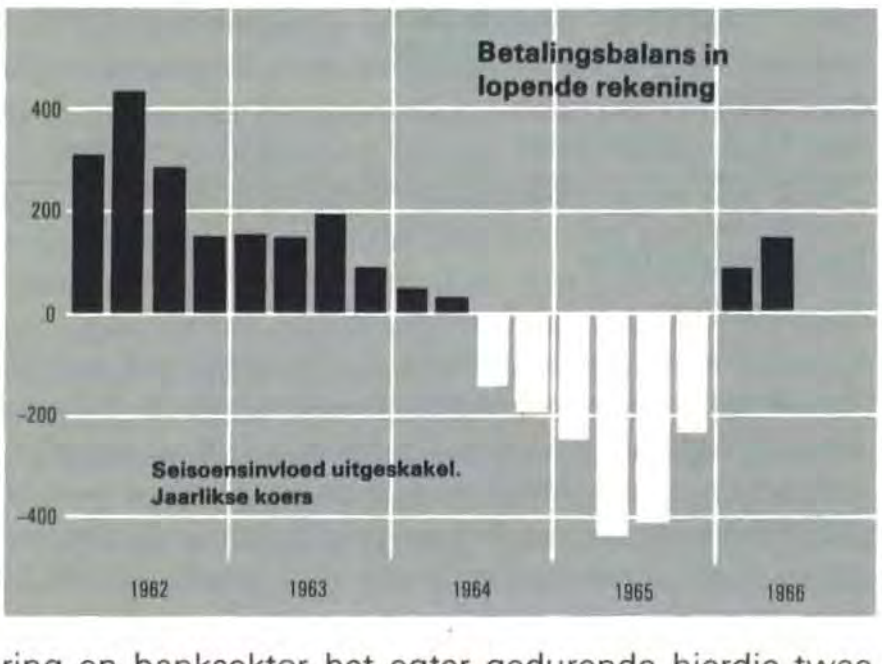
Nuwe tekort op lopende rekening

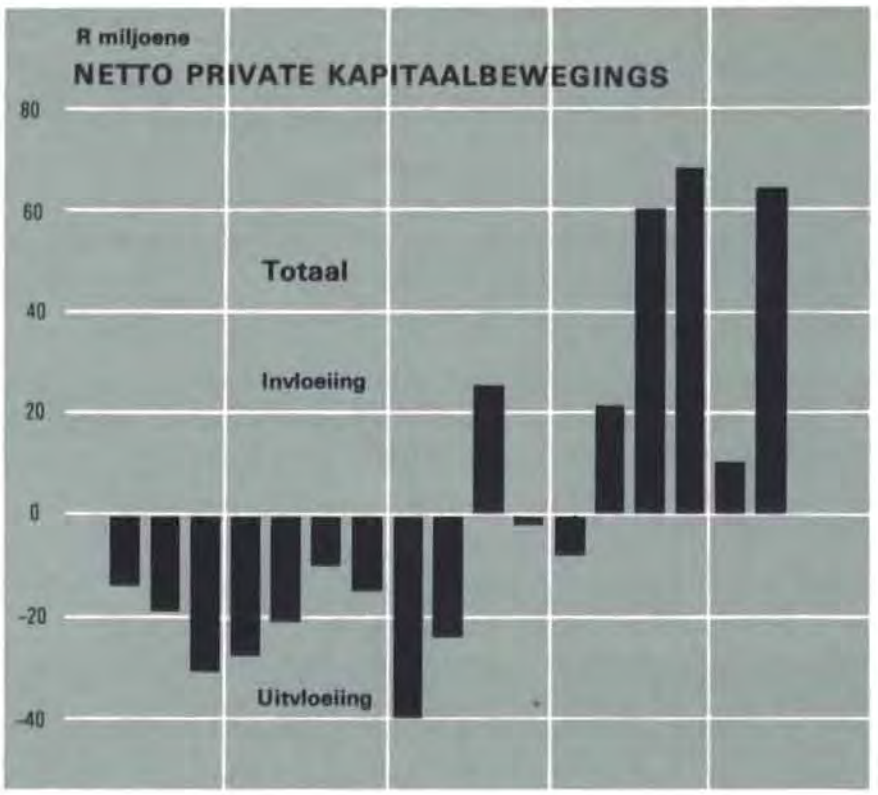
Soos in meer besonderhede in die Reserwebank se *Jaarlikse Ekonomiese Verslag* uiteengesit is, het die lopende rekening van die betalingsbalans, na aansuiwering vir die seisoensinvloed en gereken teen 'n jaarlikse koers, hoofsaaklik as gevolg van 'n aansienlike afname in invoere verander vanaf 'n tekort van R424 miljoen gedurende die tweede kwartaal van 1965 tot 'n oorskot van R148 miljoen gedurende die tweede kwartaal van 1966. Na die middel van 1966 het die posisie van die lopende rekening egter weer begin verander, veral na die verslapping van invoerbeheer wat gedurende Julie aangekondig is. So het die invoer, na aansuiwering vir die seisoensinvloed en gereken teen 'n jaarlikse koers, nadat dit gedurende die tweede en derde kwartale van 1965 meer as R1,900 miljoen beloop het en in die tweede kwartaal van 1966 tot R1,500 miljoen afgeneem het, skerp toegeneem tot R1,760 miljoen in Augustus. Alhoewel die goedereuitvoer ook sedert Mei sterk toegeneem het en 'n nuwe rekord jaarlikse koers van R1,430 miljoen gedurende Augustus bereik het, was die styging in die invoer nogtans voldoende om gedurende die tydperk Julie–Augustus 'n klein tekort op die lopende rekening voort te bring.

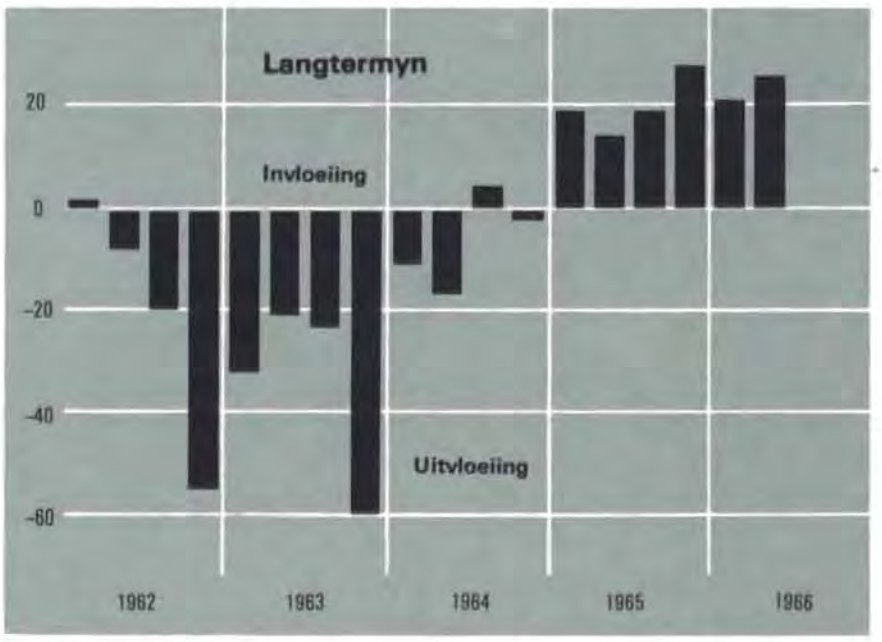
Voortgesette netto invloeiing van kapitaal

Maar terwyl die lopende rekening gedurende Julie–Augustus tot 'n klein tekort omgeslaan het, het die netto private kapitaalinvloeiing teen 'n koers van ongeveer R20 miljoen per maand voortgeduur, waarvan die grootste gedeelte skynbaar korttermynfondse was. Kapitaalbewegings ten opsigte van die sentrale rege-







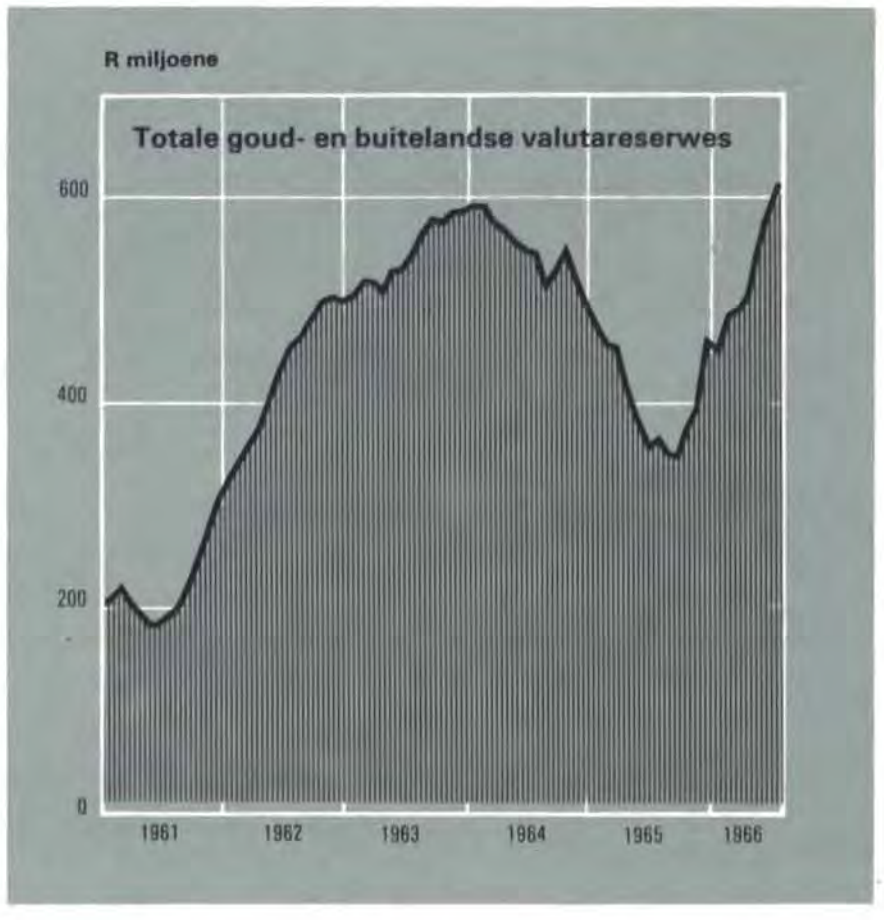


ring en banksektor het egter gedurende hierdie twee maande 'n klein netto uitvloeiing ten bedrae van R2 miljoen getoon.

Goud- en buitelandse valutareserwes

Gedurende Julie het die totale goud- en buitelandse valutareserwes gehou deur die Reserwebank, die res van die banksektor en die Regering met 'n verdere R26 miljoen toegeneem, maar gedurende Augustus was die netto kapitaalinvloeiing nie heeltemal voldoende om die lopende tekort te neutraliseer nie, met die gevolg dat die reserwes met ongeveer R6 miljoen afgeneem het tot 'n peil van net minder as R600 miljoen.

Die jongste verwikkelinge in die betalingsbalans, veral die toename in die invoer en die verdwyning van 'n oorskot op die lopende rekening, was streng ooreenkomstig die offisiële disinflasionistiese beleid en is gevolglik deur die owerhede verwelkom. Verdere gebruik van invoerbeheermaatreëls ten einde 'n oorskot op die lopende rekening van die betalingsbalans te verkry, kon die inflasiegevaar vererger het op 'n tydstip toe volledige besetting en inflasionistiese druk in die volkshuishouding geheers het en kapitaal die land binnegevloei het.



Monetêre en banktoestand

Oormatige likwiditeit van die private sektor

Die private sektor het gedurende die tydperk April tot Julie steeds in 'n oormatige likwiede toestand verkeer. Die totale hoeveelheid geld en kwasi-geld het gedurende die tweede kwartaal in werklikheid met R150 miljoen en gedurende Julie met 'n verdere R36 miljoen toegeneem, d.w.s. met R186 miljoen in vier maande. Verder het die verhouding van geld en kwasi-geld tot die bruto nasionale produk gedurende die tweede kwartaal op die buitengewoon hoë peil van 30 persent gestaan, in vergelyking met 29 persent gedurende die ooreenstemmende kwartaal van 1965 en 'n gemiddelde van ongeveer 27 persent gedurende die tydperk 1954–1965. Ondanks die verskillende disinflasionistiese maatreëls wat gedurende die voorafgaande vyftien maande deur die owerhede toegepas is, was die monetêre klimaat gedurende die tweede kwartaal van 1966 dus moontlik selfs nog meer bevorderlik vir inflasie as wat dit 'n jaar vantevore was.

Soos die bygaande tabel toon, was die hoofrede vir die toename in totale geld en kwasi-geld gedurende die tweede kwartaal 'n verdere styging in die netto krediet wat regstreeks of onregstreeks deur die monetêre banksektor aan die regeringsektor verleen is, soos in 'n toename van R112 miljoen in die *netto* eise van die banksektor teen die regeringsektor gedurende hierdie tydperk weerspieël word. Dit is egter betekenisvol om daarop te let dat hierdie neiging in Julie, toe die netto eise van die banksektor teen die regeringsektor in werklikheid met R27 miljoen gedaal het, omgekeer is. Terselfdertyd moet dit egter in aanmerking geneem word dat sowel die toename gedurende die tweede kwartaal as die afname gedurende Julie in hierdie netto eise gedeeltelik aan seisoensinvloede toegeskryf kan word.

Nog 'n belangrike faktor wat tot die verdere toename in totale geld en kwasi-geld bygedra het was die

Oorsake van veranderings in geld en kwasi-geld

(Veranderings in gekonsolideerde bates en laste van die monetêre banksektor)

	R miljoene 1966		
	1ste kw.	2de kw.	Julie
Veranderings in geld en kwasi-geld:			
Geld	−39	126	−29
Kwasi-geld	−78	24	65
Totale geld en kwasi-geld	−117	150	36
Oorsake van veranderings:			
Netto goud- en buitelandse valutareserwes	18	66	24
Eise teen regeringsektor	32	136	2
Regeringsdeposito's (toename −, afname +)	−74	−24	−29
Netto eise teen regeringsektor	−42	112	−27
Eise teen private sektor	−79	38	24
Langtermyndeposito's (toename −, afname +)	−16	−102	—
Ander bates en laste	2	37	15
Totale verandering	−117	150	36

gunstige totale betalingsbalans wat gedurende die tweede kwartaal tot 'n toename van R66 miljoen in die netto goud- en buitelandse valutareserwes gelei het, en wat in Julie deur 'n verdere styging van R24 miljoen gevolg is. Buitendien het die banke ook nog verdere krediet aan die private sektor verleen, soos in die toenames van R38 miljoen en R24 miljoen in die eise van die banksektor teen die private sektor gedurende die tweede kwartaal en Julie, onderskeidelik, weerspieël word. Hierdie toenames was egter hoofsaaklik die gevolg van 'n skerp styging in die kaskredietvoorskotte van die Landbank, wat grotendeels 'n seisoensverskynsel was.

Langtermyndeposito's by die banksektor, wat nie as kwasi-geld beskou word nie, het gedurende die tweede kwartaal met R102 miljoen toegeneem maar het gedurende Julie geen beduidende verdere verandering getoon nie. Aangesien hierdie deposito's gedurende die tweede, derde en vierde kwartaal van 1965 egter aansienlik gedaal het voordat dit gedurende die eerste kwartaal van 1966 matig gestyg het, was hulle in Julie 1966 slegs R18 miljoen hoër as 'n jaar tevore en nog steeds aansienlik (R42 miljoen) onder die peil soos aan die einde van Maart 1965.

Handelsbanke

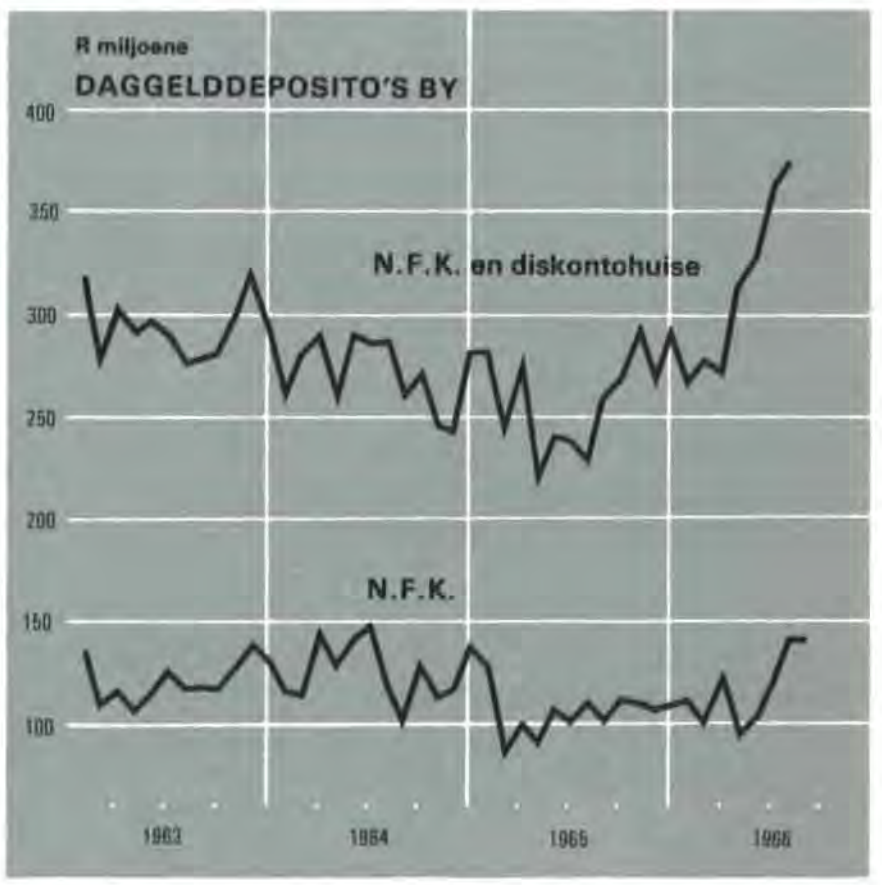
Die totale diskonteringe en voorskotte van handelsbanke het gedurende die tweede kwartaal verder met R40 miljoen tot R1,205 miljoen gedaal en daarná gedurende Julie tydelik met R30 miljoen toegeneem voordat dit in Augustus weer met min of meer dieselfde bedrag gedaal het. Aan die einde van Augustus was die „beheerde krediet" van die banke, d.w.s. hul diskonteringe en voorskotte wat aan die Reserwebank se kredietvoorskrif onderhewig is, meer as R120 miljoen of tussen 9 en 10 persent onder die toelaatbare peil. Dit dui daarop dat die private sektor as gevolg van die faktore wat reeds hierbo genoem is oor die algemeen so likwied was dat dit gedurende hierdie tydperk geen verdere handelsbankkrediet nodig gehad het nie.

Terselfdertyd het die totale likwiede bates van die handelsbanke, as gevolg van faktore soos die oorskot op die totale betalingsbalans en die vergrote bedrag wat die Regering deur middel van skatkiswissels en korttermyneffekte van die banke geleen het, verder toegeneem vanaf R703 miljoen aan die einde van Maart 1966 tot R878 miljoen aan die einde van Augustus, waarvan R243 miljoen of 11 persent van hul totale verpligtings teenoor die publiek *oorskot* likwiede bates verteenwoordig het.

Aksepbanke en monetêre huurkoop- en algemene banke

Die ondervinding van die aksepbanke en monetêre huurkoop- en algemene banke gedurende die tydperk April tot Julie was soortgelyk aan dié van die handelsbanke. Die „beheerde krediet" van die aksepbanke het byvoorbeeld gedaal van R55 miljoen aan die einde van Maart tot R53 miljoen aan die einde van Julie, wat R7 miljoen of 12 persent laer was as die Maart 1965 „basis"-syfer, terwyl hulle „benutte aksepfasiliteite" van R150 miljoen aan die einde van Maart 1966 tot R143 miljoen aan die einde van Julie gedaal het.

Op soortgelyke wyse was die „beheerde krediet" van monetêre huurkoop- en algemene banke, alhoewel dit gedurende die tweede kwartaal effens toegeneem



het met R3 miljoen en met 'n verdere R3 miljoen tot R382 miljoen aan die einde van Julie, op laasgenoemde datum nog steeds R19 miljoen onder die „basis"-syfer van R402 miljoen. Op daardie stadium het hierdie banke *oorskot* likwiede bates van R73 miljoen of byna 13 persent van hulle totale verpligtings teenoor die publiek gehou.

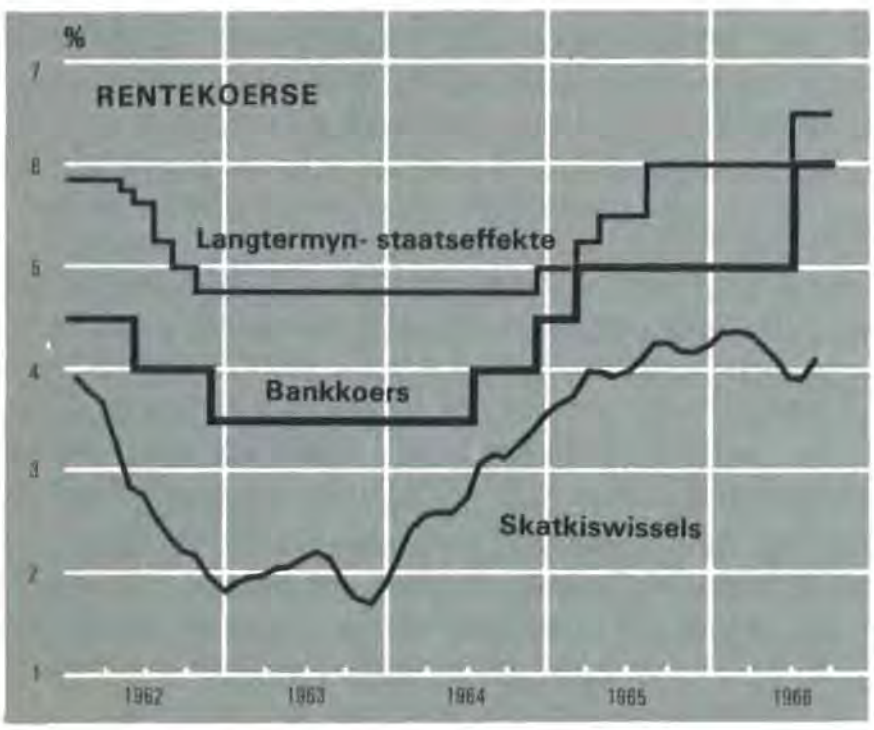
Toename in daggeld

Onder die heersende omstandighede was dit begryplik dat daggeld wat by die diskontohuise gehou is vanaf R149 miljoen aan die einde van Maart tot R242 miljoen aan die einde van Junie toegeneem het voordat dit tot R232 miljoen aan die einde van Julie gedaal het. Insgelyks het daggeld by die Nasionale Finansiekorporasie vanaf 'n laagtepunt van R95 miljoen aan die einde van April tot R143 miljoen aan die einde van Julie toegeneem.

Korttermynrentekoerse

Nadat dit vanaf 'n hoogtepunt van 4·43 persent op 28 Januarie tot 3·71 persent op 8 Julie gedaal het, het die skatkiswisseltenderkoers, alhoewel dit weeklikse skommelings getoon het, weer opwaarts beweeg en op 23 September 4·22 persent bereik. Algemeen gesproke wil dit voorkom asof hierdie toename met die volgende faktore verband gehou het:

(1) Die verhoging van die bankkoers van 5 tot 6 persent op 8 Julie;
(2) 'n toename van R62 miljoen in regeringsdeposito's by die Reserwebank tussen 8 Julie en 23 September;
(3) 'n toename oor hierdie tydperk van R65 miljoen in die totale bedrag aan uitstaande skatkiswissels;
(4) die uitreiking van skatkiswissels op aanvraag, wat op 19 Julie soveel as R39 miljoen bedra het; en
(5) die verkoop, van tyd tot tyd, van staatseffekte deur die Reserwebank aan die Nasionale Finansiekorporasie onder terugkoopooreenkomste.



Hierdie vernouende faktore is gedeeltelik deur verruimende invloede soos 'n toename van R23 miljoen in die goud- en buitelandse valutareserwes van die Reserwebank en 'n styging van R17 miljoen in Reserwebankkrediet aan die Regering en ander instellings buite die eintlike geldmark, geneutraliseer.

'n Interessante verwikkeling gedurende die tydperk onder bespreking was 'n opwaartse aanpassing vanaf 29 Julie in die daggeldkoers van die Nasionale Finansiekorporasie, naamlik tot 15 sent onder die tenderskatkiswisselkoers in vergelyking met die ongeveer 25 sent voorheen.

Staatsfinansies

Soos reeds hierbo gemeld was die vernaamste rede vir die styging van R150 miljoen in totale geld en kwasi-geld gedurende die tweede kwartaal van 1965, 'n verdere styging in die netto krediet wat regstreeks of onregstreeks deur die monetêre banksektor aan die regeringsektor verleen is, en wat weerspieël word in 'n styging van R112 miljoen gedurende hierdie tydperk in die netto eise van die banksektor teen die regeringsektor. Hierdie styging was in werklikheid die gevolg van 'n toename van R136 miljoen in die banksektor se besit aan skatkiswissels, staatseffekte en ander eise teen die regeringsektor wat tot 'n bedrag van R24 miljoen geneutraliseer is deur 'n styging in regeringsdeposito's.

Gedurende Julie het die banksektor se bruto eise teen die regeringsektor met 'n verdere R2 miljoen gestyg maar aangesien regeringsdeposito's met R29 miljoen toegeneem het, het die *netto* eise van die banksektor teen die regeringsektor met R27 miljoen

gedaal. Dit was 'n baie welkome verwikkeling aangesien die vermyding van 'n verdere styging in bankkrediet aan die regeringsektor 'n belangrike deel uitmaak van die huidige monetêre en fiskale beleid wat *onder andere* beoog om die buitengewoon hoë verhouding van geld en kwasi-geld tot die bruto nasionale produk te verlaag. Die Minister van Finansies het in sy onlangse Begrotingsrede inderdaad nadruk gelê op die wenslikheid om regeringsuitgawes op 'n nie-inflasionistiese wyse te finansier, d.w.s. deur middel van belastings en langtermynlenings van buite die monetêre banksektor. Met hierdie doel voor oë, is die koers op langtermynstaatseffekte op 8 Julie verhoog, terwyl die Minister in sy Begrotingsrede ook aangekondig het dat wetgewing gedurende die huidige Parlementsitting ingedien sal word om versekeringsmaatskappye, pensioenfondse en effektetrusts te verplig om meer staatseffekte te hou.

Daar moet egter op gelet word dat die „regeringsektor" waarna in bostaande ontleding verwys is, nie slegs die Suid-Afrikaanse Sentrale Regering behels nie, maar ook provinsiale administrasies, die Administrasie van Suidwes-Afrika, die Regering van die Transkei en die administrasies van Lesotho, Botswana en Swaziland. Die vernaamste verwikkelings gedurende onlangse maande in die Skatkisrekening word in bygaande tabel saamgevat. Dit blyk dat die Skatkis gedurende die tweede kwartaal van 1966 sy skuldposisie teenoor die monetêre banksektor met R129 miljoen moes verhoog het en dat dit tot 'n bedrag van R72 miljoen geneutraliseer is deur 'n styging in regeringsdeposito's, met die gevolg dat die Skatkis se netto skuldposisie teenoor die banksektor met soveel as R57 miljoen gestyg het. Dit verteenwoordig egter gedeeltelik 'n seisoensbeweging en gedurende Julie het die toestand aanmerklik verbeter toe die Skatkis daarin geslaag het om sy netto skuldposisie teenoor die banksektor met R7 miljoen te verminder.

Skatkisfinansies
R miljoene

	1966	
	2de kw.	Julie
Totale tekort, uitgesonderd lenings . .	107	16
Finansiering—		
Verandering in netto skuldposisie teenoor:		
Buitelandse sektor	4	4
Private nie-banksektor	28	7
Staatskuldkommissarisse	18	12
Monetêre banksektor:		
Verandering in effekte van die Staat	129	• 2
Verandering in skatkissaldo* . .	−72	−9
Totaal	57	−7
Totale finansiering	107	16

*Toename −, afname +.

Kapitaalmark

Die toename in die aanbod van uitleenbare fondse wat uit die verdere styging in geld en kwasi-geld gedurende die tydperk April tot Julie voortgespruit het, het uit die aard van die saak voorkom dat die neiging wat kapitaaluitgawes gehad het om die beskikbare aanbod van besparings te oorskry, sy volle uitwerking op kapitaalmarktoestande kon uitoefen. Nogtans het toestande in die meeste afdelings van die kapitaalmark stram gebly en verdere opwaartse druk is gedurende hierdie tydperk op langtermynrentekoerse uitgeoefen.

Styging in koerse op vasterentedraende effekte

In die mark vir prima-effekte het hierdie druk die Reserwebank byvoorbeeld daartoe beweeg om as deel van die amptelike anti-inflasionistiese beleid, sy koerse op staatseffekte met 'n looptyd van $10\frac{1}{2}$ jaar en langer, op 'n gegradueerde skaal te verhoog, beginnende met 6 persent vir looptye van $10\frac{1}{2}$ jaar en langer tot $6\frac{1}{2}$ persent vir looptye van 25 jaar en langer. Hierdie aanpassing is gevolg deur 'n verhoging in die opbrengskoers op die effekte van plaaslike owerhede en openbare korporasies. Onlangs aangekondigde uitgiftes van hierdie effekte het inderdaad 'n opbrengs tot vervaldatum van so hoog as 7·2 persent aangebied, vergeleke met $6\frac{3}{4}$ persent in Mei. Die opbrengskoers op nuwe uitgiftes van private skuldbriewe, wat alreeds tot so hoog as $7\frac{3}{4}$ persent teen die middel van 1966 gestyg het, het ook verder toegeneem.

Aandelepryse en -opbrengskoerse

Die pryse van al die vernaamste klasse van aandele, met die uitsondering van mynfinansieringsaandele, het gedurende die tweede kwartaal en Julie geneig om òf gelyk te verloop òf te daal. Goudmynaandelepryse het rondom 'n min of meer horisontale vlak geskommel, terwyl die pryse van steenkoolmyn-, nywerheidsfinansiële, nywerheids- en handelsaandele 'n merkbare afname gedurende Junie en Julie getoon het. Die gemiddelde opbrengskoers op goudmynaandele het sy opwaartse beweging voortgesit en op 9·3 persent in Julie te staan gekom, vergeleke met 9·1 persent in April, terwyl die koers op nywerheids- en handelsaandele afgeneem het tot ongeveer 5·0 persent in April alvorens dit tot 5·3 persent in Junie gestyg het.

Bouverenigings

Die posisie van bouverenigings het gedurende die tydperk April tot Julie relatief stram gebly en hulle was weer eens nie in staat om die sterk vraag na hulle verbandlenings ten volle te bevredig nie. Nogtans het hulle daarin geslaag om hulle uitstaande verband- en ander lenings met R20 miljoen te verhoog en om 'n verdere R20 miljoen tot hulle likwiede bates en ander beleggings gedurende hierdie vier maande te voeg. Boonop was die koers waarteen hulle nuwe voorskotte gedurende Junie en Julie toegestaan het aanmerklik hoër as gedurende die vroeëre maande van 1966.

Verklaring insake anti-inflasionistiese maatreëls

deur Sy Edele die Minister van Finansies,
Dr. T. E. Dönges

8 Julie 1966

Verlede jaar het die owerhede verskeie maatreëls getref teen die twee gevare wat die Suid-Afrikaanse ekonomie bedreig het, nl. inflasie en die daling van ons buitelandse reserwes.

Die tweede gevaar is, ten minste vir die huidige, afgeweer en die totale reserwes staan nou op die bevredigende peil van naastenby R585 miljoen, danksy 'n verbetering van die betalingsbalans op lopende rekening sowel as 'n toevloei van buitelandse kapitaal.

Die maatreëls teen die eerste (en verwante) gevaar, nl. inflasie, het ook 'n mate van sukses gehad, sodat daar na die middel van 1965 'n afname in die buitensporige uitbreidingstempo van die ekonomie ingetree het. Gedurende die eerste kwartaal van 1966 het die bruto binnelandse besteding selfs minder as die bruto volksproduk beloop. Algemene ekonomiese bedrywighede het egter te hoog gebly, en die gewensde uitwerking van die monetêre en ander maatreëls is in 'n groot mate teengewerk deur verskeie faktore, vernaamlik die toevloei van vreemde kapitaal, wat die likiditeit van die ekonomie op 'n te hoë peil gehou het.

Hoewel daar geen rede vir oormatige kommer is nie, voel die Regering nietemin dat die uitwerking van bestaande maatreëls te stadig was as gevolg van die neutraliserende faktore en dat dit wenslik is om daadwerklike stappe te doen ten einde die inflasiegevaar gouer die nek in te slaan. Oor die korttermyn kan hierdie stappe 'n mate van ongerief en selfs 'n stilstand in sekere sektore van die ekonomie veroorsaak, maar hulle is absoluut noodsaaklik om die ekonomiese stabiliteit van die Republiek te verseker en om verdere ekonomiese uitbreiding teen 'n handhaafbare koers moontlik te maak.

Die euwels van inflasie, veral vir die salaris-, loon- en pensioentrekker en vir die goudmyn- en ander uitvoerbedrywe is oorbekend. Die Regering is derhalwe vasberade om die binne- en buitelandse stabiliteit van die rand te verseker en om inflasie effektief te bestry.

Dit is noodsaaklik dat die maatreëls tot die kern van die probleem moet deurdring, nl. die oormatige monetêre vraag. In hierdie verband beoog die Regering 'n vierpuntaanval op inflasie.

Die eerste groep maatreëls word bedoel om besparing positief aan te moedig. Die Suid-Afrikaanse Reserwebank se patroon van rentekoerse vir langtermyn-staatseffekte (d.i. bo tien jaar) sal progressief verhoog word sodat die koers vir effekte van 25 jaar en meer, $6\frac{1}{2}$ persent sal wees. Die beheer oor rentekoerse wat op deposito's by finansiële instellings betaal mag word, word onmiddellik opgehef sodat hierdie instellings in staat gestel word om vryelik om die publiek se besparings mee te ding. Verder sal die voorwaardes vir belegging in onder andere die Posspaarbank en in Nasionale Spaarsertifikate verruim en aantrekliker gemaak word – besonderhede in dié verband sal binnekort aangekondig word.

Die tweede oogmerk van die owerhede is om die buitensporige tempo van kapitaal- en verbruiksbesteding te verlangsaam. Met hierdie doel voor oë het die Reserwebank, na die gebruiklike oorlegpleging met die Tesourie, besluit om sy diskontokoers vanaf 5 persent na 6 persent te verhoog. Die algemene verhoging van rentekoerse, wat waarskynlik op hierdie stap sowel as op die eerste groep maatreëls sal volg, sal ook hierdie tweede oogmerk bevorder. Verder sal die Reserwebank se versoek aan die monetêre banke om hulle diskonterings, lenings en voorskotte aan die private sektor binne die totaal van hierdie poste soos op 31 Maart 1965 te beperk (plus 'n spesiale $2\frac{1}{2}$ persent vermeerdering wat uitsluitlik vir die landbousektor aangewend mag word) vir 'n verdere tydperk van 6 maande vanaf 30 September 1966 verleng word. Ek wil beklemtoon dat bogemelde rentekoersverhogings hopelik van betreklik korte duur sal wees; dit sal die anti-inflasionistiese magte aansienlik versterk indien minder dringende besteding uitgestel word tot tyd en wyl die oorverhitting van die ekonomie uitgeskakel is en koerse weer verlaag kan word.

Die derde punt van die owerhede se aanval op inflasie bestaan uit fiskale maatreëls. Hierdie maatreëls

sal eers in my Begrotingsrede aanstaande maand aangekondig kan word. Ek wil egter nou al sê dat die Regering vasberade is om staatsuitgawes sover moontlik op 'n nie-inflasionistiese wyse te finansier. Dit vereis dat die Staat se kapitaaluitgawes in 'n groter mate deur langtermyn lenings (d.i. egte besparings) gedek word. Die hoër rentekoerse vir langtermyn staatslenings, sowel as die aantrekliker voorwaardes vir die indiwiduele spaarder, behoort die Regering te help om hierdie doel te bereik. Dit sal egter nog nodig wees om spesiale stappe te doen om 'n hoër mate van belegging in Staatseffekte deur lewensversekeringsmaatskappye, pensioenfondse en miskien sekere ander finansiële instellings te bewerkstellig. Voorstelle in hierdie verband sal aan die Parlement voorgelê word.

As 'n vierde maatreël teen inflasie het my kollega, die Minister van Ekonomiese Sake, besluit om invoerbeheer ten opsigte van sekere tipes goedere op 'n selektiewe wyse te verslap. 'n Aankondiging in dié verband sal binnekort deur Dr. Diederichs gedoen word.

Die maatreëls wat nou geneem word, kan in sommige gevalle die laer- en middelinkomstegroepe in die korttermyn tref, maar dit is juis hierdie groepe wat in die langtermyn relatief die grootste skade sal ly as die maatreëls nie geneem word nie. Aan die ander kant, egter, sal hierdie inkomstegroepe op die lang duur, relatief gesproke, die grootste voordeel trek uit die stappe wat die Regering nou doen om inflasionistiese prysstygings te bekamp. Die Regering sal ook positief optree om die belange van hierdie groepe in die aanpassingstydperk sover moontlik te beskerm. In besonder sal pryse dopgehou word en sal die Regering nie aarsel om op te tree nie indien ongeregverdigde prysstygings voorkom. Dit geld natuurlik vir alle prysstygings, maar veral stygings in voedselpryse sal baie streng onder die soeklig gestel word.

Die produsentepryse van die meeste voedselprodukte, wat hoofsaaklik weens die droogtetoestande verhoog moes word, is reeds vir die huidige seisoen vasgestel en het dus reeds in werking getree. Die Regering sal natuurlik steeds die belange van die boere op die hart dra, maar sal terselfdertyd sorg dra dat die verbruikerspryse van noodsaaklike voedselprodukte binne redelike perke gehou word. Ook die voedselverwerkende nywerhede en die distribusiehandel het reeds die uitwerking van die verhoogde produsentepryse aan die verbruiker deurgegee. Die Regering doen dus 'n beroep op die handel en die nywerheid om ook hulle bydrae tot die stabiliteit van voedselpryse, wat so 'n strategiese rol in ons stryd teen inflasie speel, te maak.

Die huurgelde van wonings en geboue is, net soos voedselpryse, 'n ander strategiese element in die lewensduurte en die Regering beskou enige verdere stygings in huurgelde in hierdie stadium as absoluut ongewens. Hy sal dus ook hierdie aspek baie noukeurig dophou.

Die Regering doen voorts 'n beroep op bouverenigings en ander finansiële instellings om, indien verbandkoerse verhoog moet word, sover moontlik die termyn van verbandlenings te verleng eerder as om die paaiemente op die lenings te verhoog.

Die stryd teen inflasie, wat 'n wêreldwye verskynsel is, verg opofferings van alle seksies van die gemeenskap. Dit vereis 'n hoë verantwoordelikheidsin en selfbeheersing onder werkgewers, werknemers en handelaars by die bepaling van lone, salarisse en pryse. Dit vereis ook sterk en besliste optrede deur die owerhede in die rigtings soos hierbo uiteengesit. Indien die Regering van sy verantwoordelikheid sou terugdeins, sou hy die toekomstige ekonomiese stabiliteit van die Republiek ernstig in gevaar stel. Maar as ons almal saamstaan om die oorlog teen inflasie te wen, sal ons hopelik in staat wees om, na die nodige aanpassingstydperk, 'n nuwe fase van stabiele ekonomiese vooruitgang in te lui.

Opmerkings oor tabelle

1. Tabel S–31 : Skatkisrekening

Die ontleding van die skatkisrekening soos in Tabel S–31 uiteengesit en wat die inkomste-, lenings- en Bantoe-onderwysrekening omvat, toon die totale ontvangste en uitreikings en die daaruit voortspruitende tekort (of oorskot), uitgesonderd lenings, op daardie rekening asook 'n sektorindeling van die finansiering van die tekort. Ontvangste en uitreikings (uitgesonderd lenings) word op 'n gekonsolideerde basis getoon, d.w.s. oordragte tussen die verskillende rekeninge asook staande appropriasies, wat in sowel ontvangste as uitreikings voorkom, word weggelaat.

Twee verskillende benaderings vir die bepaling van die bydrae van individuele sektore tot die finansiering van die tekort op die skatkisrekening deur middel van netto lenings kan gebruik word. 'n Bepaalde sektor se bydrae kan bereken word as dié bedrag deur daardie sektor in staatspapier (netto van aflossings), belê, ongeag of sodanige fondse die opbrengste van transaksies in bestaande staatspapier met ander nie-regeringsektore verteenwoordig of nie. Elke sektor se bydrae sal derhalwe die vloei van fondse tussen hom en die Skatkis verteenwoordig. 'n Alternatiewe benadering sou wees om elke sektor se *netto* bydrae tot skatkisfinansiering te bereken in die sin van fondse wat (netto van aflossings) in staatspapier belê is met uitsluiting van transaksies in bestaande staatspapier met nie-regeringsektore. Laasgenoemde benadering het die voordeel dat dit die netto uiteindelike bydrae tot die finansiering van die Skatkis bepaal, soos gemeet deur veranderings in elke sektor se besit aan staatspapier. Met ander woorde, in teenstelling met die vloei-van-fondse benadering wat hierbo genoem is, sal dit die Skatkis se netto skuldposisie teenoor die verskillende sektore, of laasgenoemde se eise teen die Skatkis, weerspieël, behalwe in die geval van die banksektor waar die netto skuldposisie verkry word deur die Skatkis se kontantsaldo by die banksektor teen sy skuldposisie teenoor hierdie sektor te verreken. Laasgenoemde, meer betekenisvolle, benadering word nou in tabel S–31 in die *Kwartaalblad* gebruik, in die plek van eersgenoemde wat in die vorige twee uitgawes gebruik is.

Die verskil tussen die twee metodes kom duidelik na vore in die rol wat die Staatskuldkommissarisse gedurende die jaar geëindig 31 Maart 1966 in skatkisfinansiering gespeel het. Gedurende daardie tydperk het die Kommissarisse fondse ten bedrae van R64 miljoen, netto van aflossings, regstreeks aan die Tesourie verskaf. 'n Bedrag van R48 miljoen van hierdie fondse is egter deur die Kommissarisse verkry uit die netto verkope van staatseffekte aan die bank- en ander sektore vir wie die Kommissarisse in werklikheid dus bloot as tussenganger in die kanalisering van sodanige fondse na die Skatkis opgetree het. Gevolglik het die netto bydrae van die Staatskuldkommissarisse, soos gemeet aan die hand van die verandering in hul besit aan staatspapier, in werklikheid slegs R16 miljoen gedurende dié tydperk bedra.

In Tabel S–31 is getrag om die uiteindelike voorsieners van fondse aan die Skatkis op die mees betekenisvolle wyse vanuit die standpunt van ekonomiese ontleding in te deel. Veranderings in die Skatkis se netto skuldposisie teenoor die banksektor, of in laasgenoemde se netto eise teen die Skatkis, het byvoorbeeld 'n belangrike invloed op veranderings in die geld- en kwasi-geldvoorraad en derhalwe 'n potensiële inflasionistiese of deflasionistiese effek. Net so kan veranderings in die Skatkis se netto skuldposisie teenoor die buitelandse sektor 'n invloed op die hoeveelheid geld en kwasi-geld hê via die effek wat dit op die land se goud- en buitelandse valutareserwes het. Intra-regeringstransaksies word van dié met ander sektore in die volkshuishouding onderskei, en die bydrae van die Staatskuldkommissarisse word afsonderlik getoon weens die belangrike rol wat dit in skatkisfinansiering speel en ook omdat dit die grootste enkele besitter van staatskuld verteenwoordig. Stygings in die Skatkis se netto skuldposisie teenoor die Staatskuldkommissarisse, uit hoofde van fondse wat deur die Kommissarisse namens nie-regeringsektore; soos pensioenfondse, belê is, kan onder huidige omstandighede as nie-inflasionistiese finansiering beskou

word op dieselfde wyse as 'n styging in die Skatkis se netto skuldposisie teenoor die private nie-banksektor.

Die aandag word ook gevestig op die feit dat veranderings in die Skatkis se netto skuldposisie teen die banksektor 'n verband vorm met die Reserwebank se monetêre ontleding waarin veranderings in die banksektor se eise teen die regeringsektor (wat nie alleen die Skatkis maar ook provinsiale administrasies, die Administrasie van Suidwes-Afrika, ens. insluit) as 'n oorsaak van veranderings in die voorraad geld en kwasi-geld beskou word. Die verband kom na vore uit die volgende rekonsiliasie van tabel S–31 met tabel S–19 :

	1965/66 (R miljoene)
Veranderings in die banksektor se *netto* eise teen die regeringsektor :	
Skatkis (sien tabel S–31)	212·7
Provinsiale administrasies	−8·1
Ander	27·5
Min waarderingsaansuiwering	−0·5
Totaal (sien tabel S–19)	231·6

Tabel S–31 wat in hierdie uitgawe van die *Kwartaalblad* aangebied word, verskil in verskillende opsigte van dié wat in die vorige twee uitgawes gepubliseer is. Totale ontvangste en uitreikings word nou op 'n gekonsolideerde basis i.p.v. op 'n bruto basis soos voorheen getoon, terwyl die bydrae van die verskillende sektore tot skatkisfinansiering in die huidige uitgawe, soos reeds genoem, verkry word uit die Skatkis se netto skuldposisie teenoor daardie sektore. Verskeie sektore waarvoor gegewens onder die benadering wat voorheen gebruik is nie beskikbaar was nie, word nou ook onderskei.

2. Tabel S–63: Prysindekse

Die seisoensaangesuiwerde indekse van verbruikerspryse is vanaf Augustus 1965 gewysig. Die rede vir die wysiging is dat terwyl die resultate van die jaarlikse huursensus van die Buro vir Statistiek gewoonlik in die daaropvolgende Julie of Augustus in die onaangesuiwerde indekse opgeneem word, in die geval van die 1964-sensus besonderhede van huishuur en bediendelone eers vanaf April 1966 en van woonstelhuur eers vanaf Junie 1966 in berekening gebring is. Aangesien die vertraging in die insluiting van die betrokke statistieke deur die Bank as 'n verandering van die seisoenspatroon beskou word, is slegs die seisoensaangesuiwerde indekse dienooreenkomstig gewysig. Die wysigings het slegs op die drie kolomme „Behuising en aanverwante items", „Ander, totaal" en „Totaal" betrekking.

3. Die aandag word daarop gevestig dat syfers in die volgende tabelle hersien is :

(a) Tabel S–21. Likwiede bates van die private sektor by die regeringsektor.

(b) Tabelle S–34 en S–35. Binnelandse bemarkbare effekteskuld van die Sentrale Regering volgens besitter.

(c) S–36. Bemarkbare skatkiswissels volgens besitter.

(d) Tabel S–61. Indekse van die fisiese volume van produksie – Elektriese stroom opgewek.

(e) Tabel S–62. Arbeidstatistiek – Private fabriekswese.