

South African Reserve Bank
Suid-Afrikaanse Reserwebank

Quarterly Bulletin Kwartaalblad



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. . . denotes not available

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

* denotes preliminary figures

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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 first four months of 1968 the South African economy continued to experience reasonably stable economic growth. Although private consumption, current government expenditure and fixed investment by public authorities increased fairly substantially, fixed capital outlays by both private businesses and public corporations, as well as inventory investment, declined further, so that *total* expenditure increased only moderately. Aggregate demand and supply appeared to be in good balance and there was little evidence of general demand inflation. Both the consumer and wholesale price indices showed a relatively small rise, while the surplus which had emerged on the current account of the balance of payments during the second half of 1967 increased appreciably—mainly owing to a large increase in exports accompanied by a very modest recovery in imports.

At the same time, there were also no indications of a general recessionary tendency following the levelling-off in economic activity during the second half of 1967. On the contrary, while some monthly economic indicators continued to fluctuate around a horizontal trend, the behaviour of others, particularly towards the end of the period under review, pointed to an incipient new upswing in the economy. Thus, in addition to the increase in exports, private consumption, current government expenditure and fixed investment by public

authorities, there appeared to be an upturn in mining and manufacturing output, the number of new motor cars and commercial vehicles sold, retail sales and railway earnings.

Although this new upward tendency was very moderate and did not by itself imply a resurgence of inflationary pressure, the position was complicated by the widespread currency uncertainty and gold price speculation which followed the devaluation of sterling in November 1967. These international developments not only created fresh inflationary expectations in South Africa but also helped to bring about a considerable net inflow of foreign capital and a boom on the Stock Exchange. And since the surplus on the current account of the balance of payments also widened during this period, the total gold and foreign exchange reserves increased rapidly and substantially to new record levels.

Assisted by a further rise in bank credit to the private sector, the overall balance of payments surplus, in turn, exerted a strong expansionary effect upon the liquidity of the private non-bank sector, which was only partly offset by the financial operations of the government sector. In this way a general monetary environment came into being which was potentially conducive to inflation.

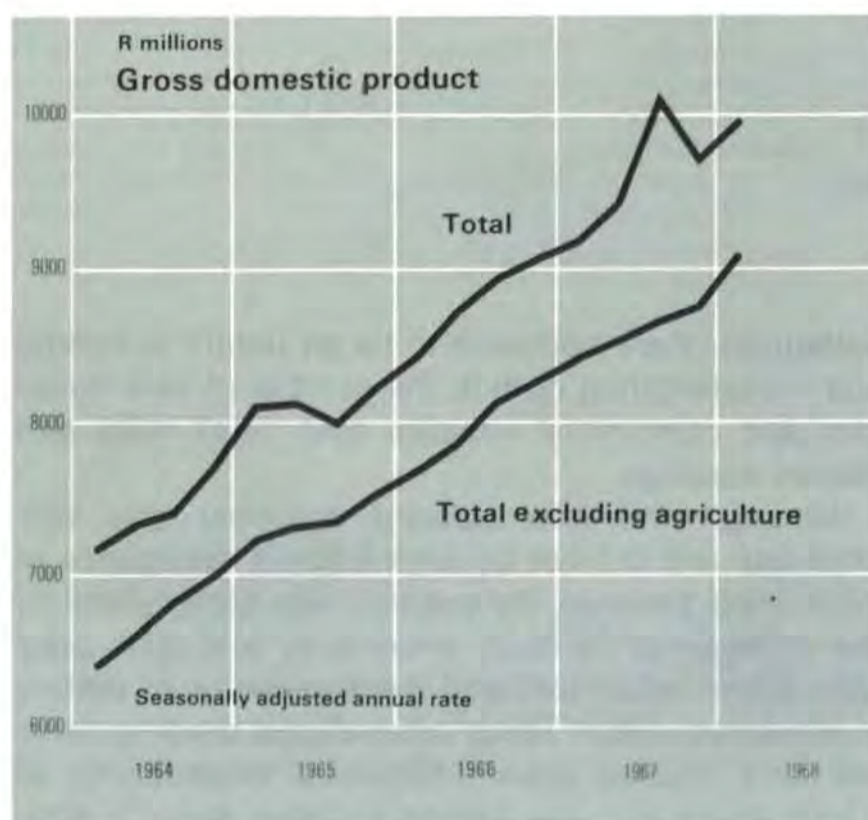
Because of this new threat to the stability of the economy, the authorities deemed it advisable to retain their main disinflationary fiscal and monetary measures for the time being.

National accounts¹

Gross domestic product and expenditure

After rising sharply during the second and third quarters of 1967 and then actually declining during the fourth quarter, largely owing to fluctuations in the contribution of agriculture, gross domestic product increased noticeably during the first quarter of 1968. This upward movement was mainly attributable to increases in the contributions of private manufacturing, commerce and mining other than gold—the contribution of agriculture, which had risen very considerably during the second and third quarters of 1967 before declining during the fourth quarter, showed a further decrease.

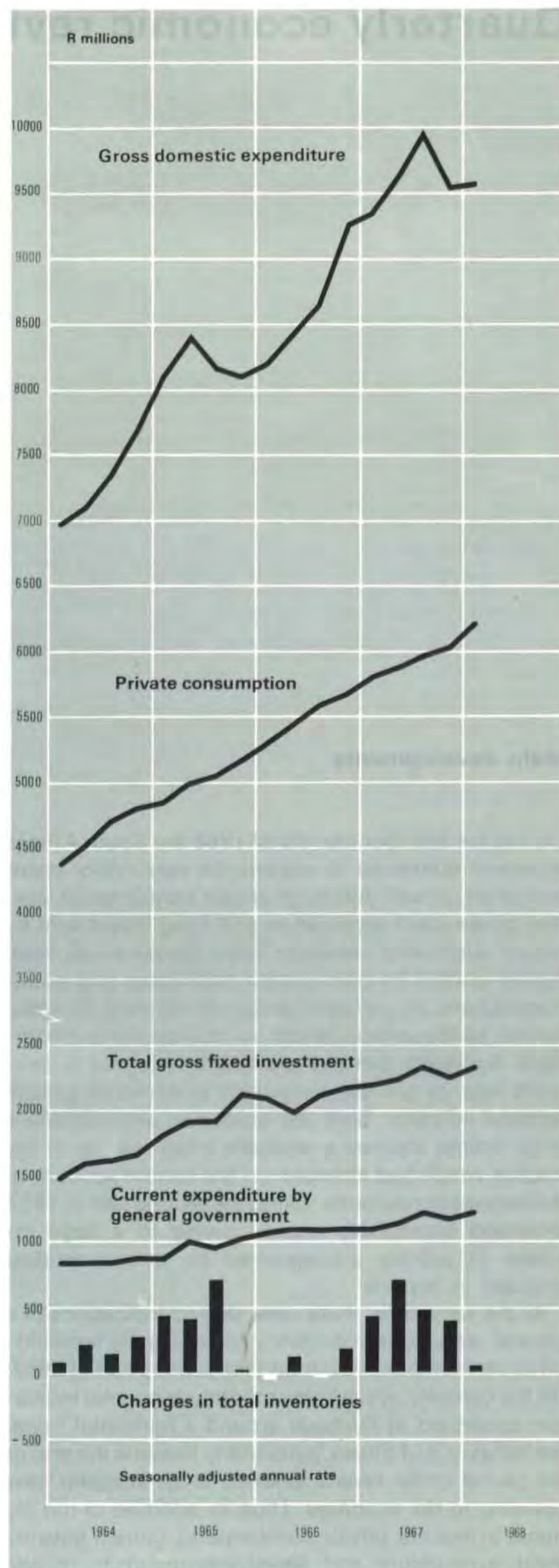
Gross domestic expenditure, which had declined quite sharply during the fourth quarter of 1967, also increased during the first quarter of 1968, but at a much slower rate than gross domestic product.



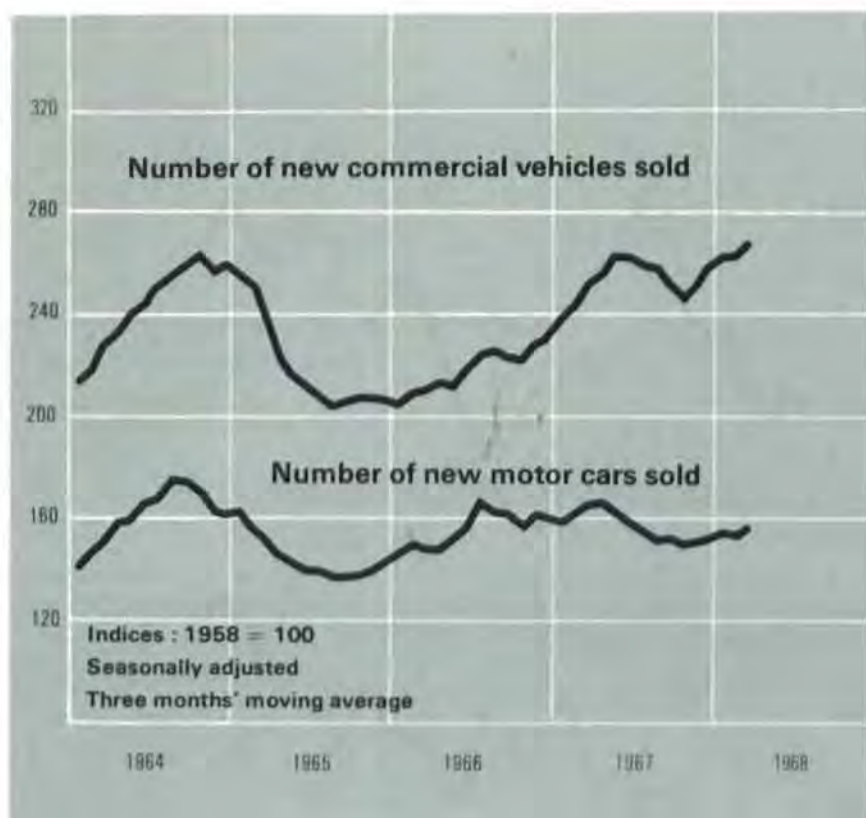
Private consumption and current government expenditure

The main reason for the increase in gross domestic expenditure during the first quarter was a fairly sharp rise in private consumption. This increase was particularly evident in the case of non-durable goods, although spending on durable goods and on services also increased noticeably. Both the number of new motor cars sold and the index of retail sales tended to rise above the level of the fourth quarter of 1967.

In addition, current government expenditure on goods and services, which had declined during the



¹The 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.



fourth quarter of 1967 and had increased by only 6 per cent during 1967 as a whole, compared with an average annual rate of about 12½ per cent between 1960 and 1966, increased again during the first quarter of 1968 to roughly the level reached during the third quarter of 1967.

Fixed capital expenditure

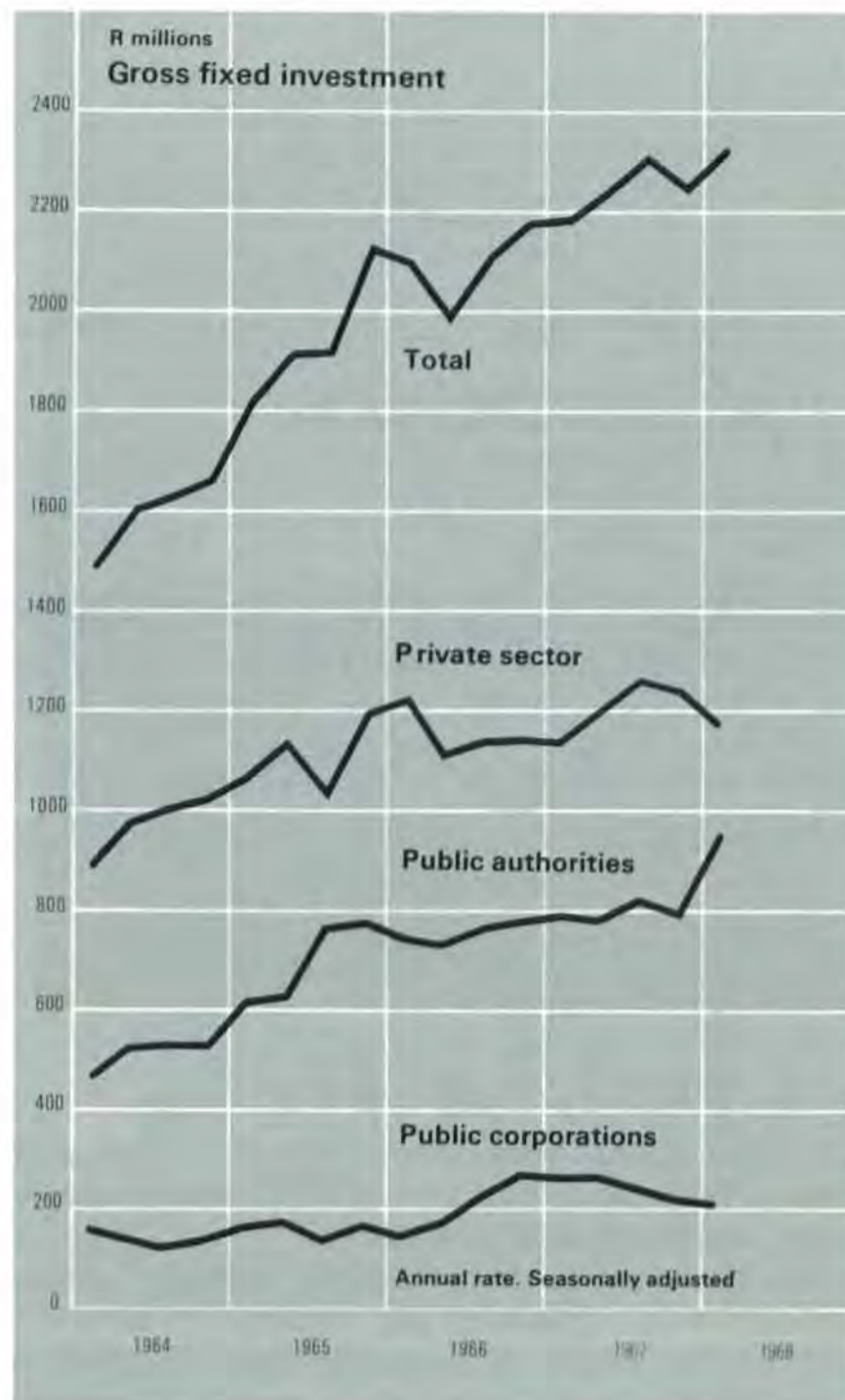
Gross domestic fixed investment, which had declined during the fourth quarter of 1967, also showed a moderate increase during the first quarter of 1968. This recovery was, however, entirely attributable to a very sharp rise in the fixed capital outlays of public *authorities*, which include the South African Railways and Harbours. By contrast, fixed investment by public *corporations* declined slightly for the fifth consecutive quarter and private fixed capital outlays showed an even more marked decrease than during the fourth quarter of 1967—mainly owing to a decline in fixed investment in mining, manufacturing and residential building.

Inventory investment

Total inventory investment declined for the third consecutive quarter, but still remained positive, i.e. total inventories still increased. Commercial and industrial inventories, however, actually declined.

Exports and imports

More or less in accordance with the small rise in gross domestic expenditure, imports of goods and (non-factor) services increased only slightly during the first quarter of 1968. Exports of goods and (non-factor) services, however, increased substantially to a new record peak. The balance of payments on current account accordingly improved still further, as will be shown in more detail later on.

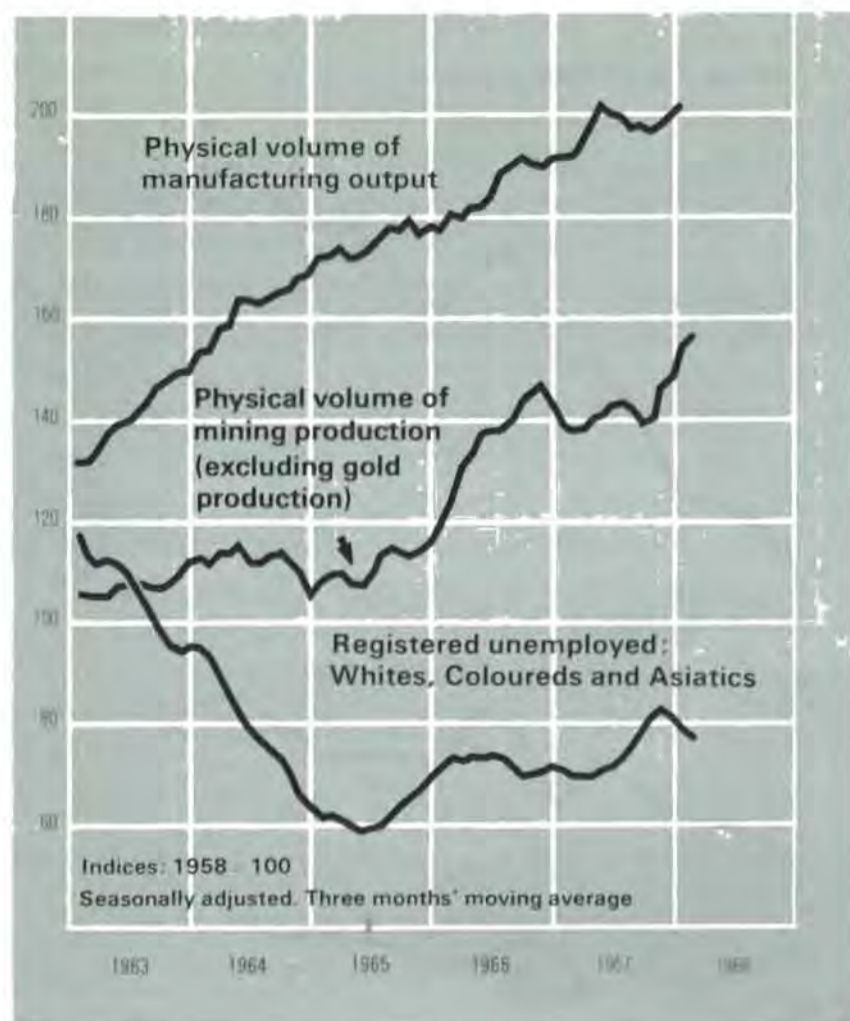


Gross domestic saving

Gross domestic saving showed little change during the first quarter of 1968 compared with the previous quarter. Its composition changed significantly, however. Personal saving, which had increased considerably during 1967, declined noticeably, while corporate saving (retained earnings of companies) increased by a roughly similar amount. The current surplus of general government remained more or less constant.

Production and employment

After tending to level off during the second half of 1967, the seasonally adjusted index of the physical volume of manufacturing output increased again during the first two months of 1968. In addition, the index of the volume of gold production, which had declined moderately during 1967, showed a marked increase during the months January to April 1968, while that of mining production other than gold also increased during this period at a considerably faster

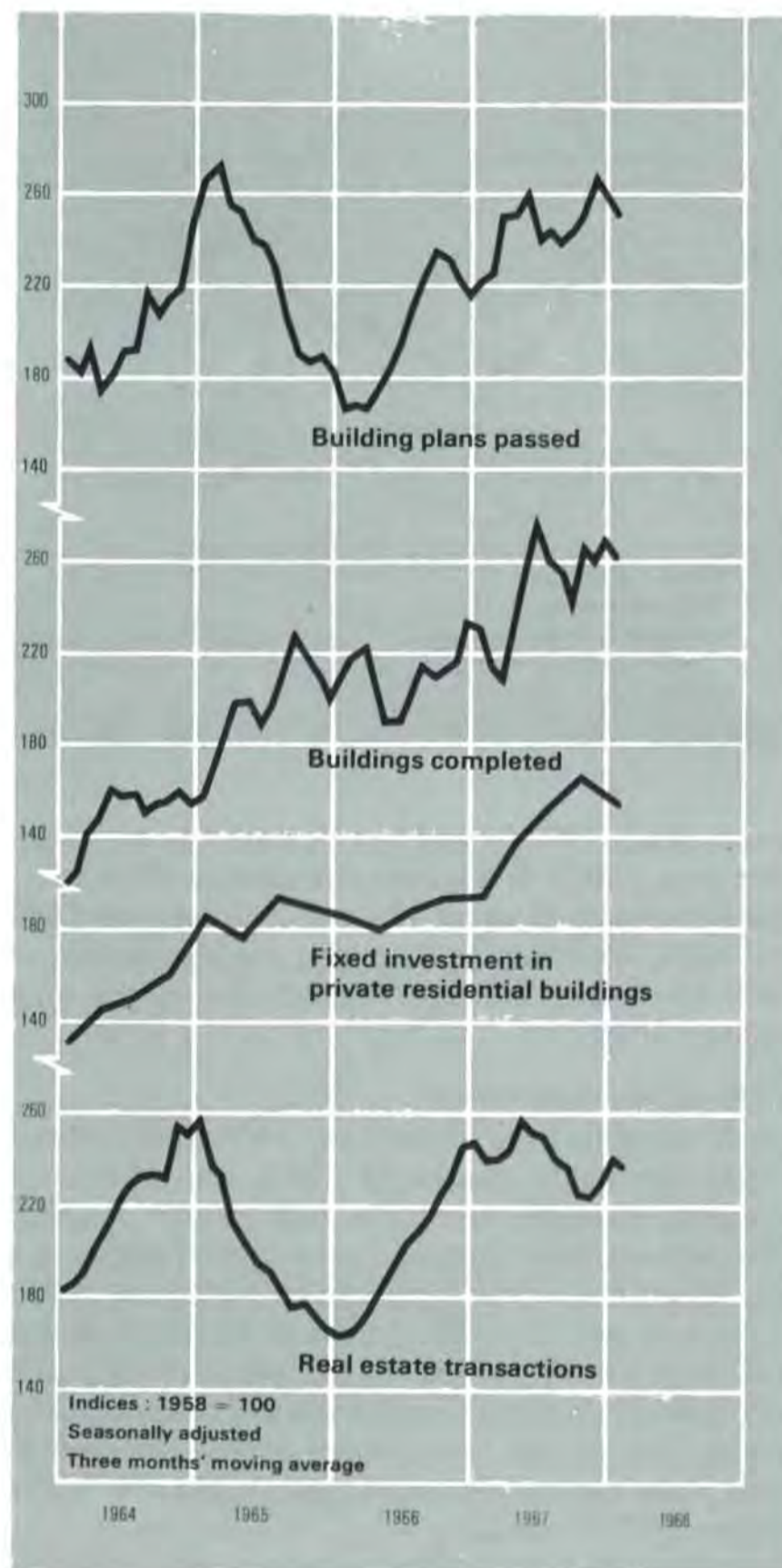


rate than during 1967. After declining moderately during 1967, mining employment increased noticeably during the first quarter of 1968.

The seasonally adjusted index of registered unemployed Whites, Coloureds and Asiatics (1958=100) declined from 82.4 in December 1967 to 77.3 in April 1968.

General economic indicators

As during the fourth quarter of 1967, there was again a striking disparity during the first four months of 1968 between the behaviour of certain *monetary* and *financial* indicators and that of the available monthly indicators of *real* economic activity. As will be shown in more detail later in this review, such monetary and financial indicators as the gold and foreign exchange reserves, seasonally adjusted money and near-money, stock exchange turnover and share prices all continued to rise strongly during the first four months of 1968. In sharp contrast to these developments, however, a large proportion of the *real* economic indicators either tended to move horizontally or showed only a moderate new upward tendency during this period. Real estate transactions, building plans passed and the value of buildings completed, for example, fluctuated around a more or less horizontal line, while manufacturing output, the numbers of new motor cars and commercial vehicles sold, retail sales and railway earnings increased fairly slowly.



This tended to confirm the impression gained from the national accounts and balance of payments statistics that, while there were some signs of an incipient new upswing in total demand and while monetary and financial conditions were certainly conducive to such an upturn, the approximate balance which had been reached between total demand and supply during the second half of 1967, was maintained during the period under review.

Prices

After rising at annual rates of 3.5 per cent between December 1966 and June 1967 and 0.3 per cent

between June 1967 and December 1967, the seasonally adjusted index of consumer prices increased at an annual rate of 2.2 per cent during the first five months of 1968. The acceleration during the latter period was largely attributable to the fact that food prices, which had declined noticeably during the second half of 1967, increased again during the first five months of 1968. The annual rate of increase of other consumer prices changed from 1.2 per cent during the former period to 2.2 per cent during the latter.

Consumer price index—seasonally adjusted
Annual percentage rate of change

Period	Food	Other	Total
Dec. 1965—Dec. 1966 . . .	4.3	3.6	3.8
Dec. 1966—Dec. 1967 . . .	1.7	2.0	1.9
Dec. 1966—June 1967 . . .	5.1	2.9	3.5
June 1967—Dec. 1967 . . .	-1.6	1.2	0.3
Dec. 1967—May 1968 . . .	1.9	2.2	2.2

The seasonally adjusted index of wholesale prices showed a similar tendency. After declining at an annual rate of 0.3 per cent between June 1967 and December 1967, it increased at an annual rate of 1.5 per cent between the latter month and April 1968. This change was largely attributable to a rise in the wholesale prices of agricultural, forestry and fishing products during the first four months of 1968, which contrasted sharply with a substantial decline in these prices during the second half of 1967. The index of wholesale prices of manufactured goods produced in South Africa increased at an annual rate of only 1.0 per cent during the first four months of 1968, compared with 1.4 per cent during the second half of 1967.

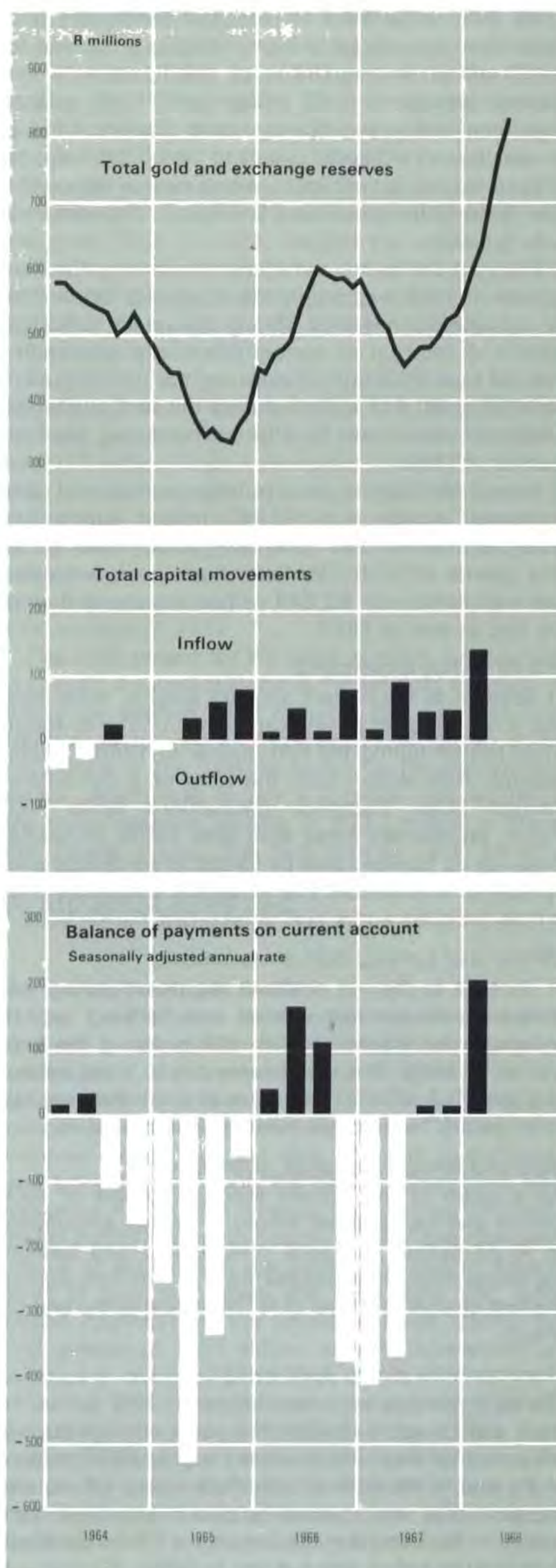
Wholesale price index—seasonally adjusted
Annual percentage rate of change

Period	Goods produced in S.A.				Total
	Agriculture, etc.	Manufacturing	Total	Imported goods	
Dec. 1965—Dec. 1966	7.1	4.9	5.1	3.2	4.6
Dec. 1966—Dec. 1967	-2.5	1.6	1.0	1.5	1.1
Dec. 1966—June 1967	6.3	1.7	2.9	1.9	2.6
June 1967—Dec. 1967	-10.6	1.4	-0.8	1.0	-0.3
Dec. 1967—April 1968	5.9	1.0	2.0	0.5	1.5

Balance of payments

Current account

The surplus on the balance of payments on current account increased from R22 million in the fourth quarter of 1967 to R44 million in the first quarter of



1968. After adjustment for seasonal tendencies and taken at an annual rate, the latter surplus amounted to R207 million. A comparison of this figure with the current deficits of R409 million and R364 million registered during the first and second quarters of 1967, reveals the considerable extent to which the balance of payments on current account improved as the excessive demand for goods and services in the economy was reduced.

The increase in the current surplus during the first quarter of 1968 was mainly the result of a further rise in merchandise exports. On a seasonally adjusted basis and taken at an annual rate, these exports increased from R1,333 million during the fourth quarter of 1967 to R1,613 million during the first quarter of 1968, compared with R1,208 million during the first quarter of 1967.

Seasonally adjusted imports, taken at an annual rate, increased slightly from R1,793 million during the fourth quarter of 1967 to R1,861 million during the first quarter of 1968. The latter figure was, however, still well below the R2,044 million registered during the first quarter of 1967.

Private capital movements

In addition to the current account surplus, there was also a net inflow of private capital amounting to about R108 million during the first quarter of 1968. Of this amount, R36 million took the form of a net inflow through Stock Exchange transactions while R33 million represented other long-term funds, including drawings on foreign loans by Escom of R9 million and by Iscor of R10 million. The remaining amount of R39 million includes errors and unrecorded transactions.

Official and banking capital movements

In contrast to the net outflows registered during the preceding six quarters, official and banking capital showed a net inflow of R19 million during the first quarter of 1968. This was mainly due to a net inflow of about R13 million in the form of short-term capital to monetary banks other than the Reserve Bank.

Gold and foreign exchange reserves

As a result of the current account surplus of R44 million and the total net inflow of capital amounting to R127 million, the total official gold and foreign exchange reserves increased by R171 million during the first quarter to a level of R728 million at the end of March.

Developments during April and May

The total reserves increased further by R50 million in April and by approximately the same amount during May, so that they amounted to roughly R830 million at the end of the latter month. Preliminary indications suggest that the current account improved still further in April and that the net capital inflow declined during April before rising again in May.

Monetary and banking situation

Money and near-money

Despite a rise in the net gold and foreign exchange reserves of R157 million and an increase of R60 million in the monetary banking sector's claims on the private sector, total money and near-money declined by about R23 million or slightly less than 1 per cent during the first quarter of 1968. As the accompanying table shows, this was largely attributable to a decline of R213 million in the net claims of the monetary banking sector on the government sector.

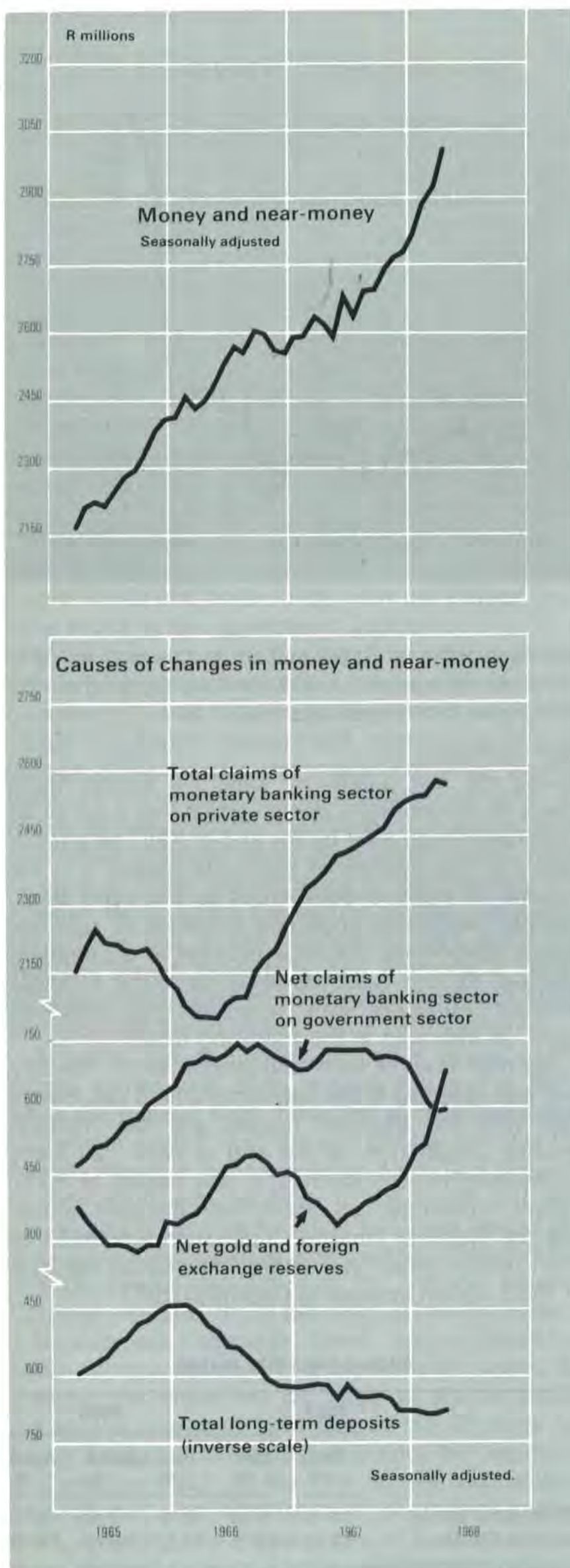
Causes of changes in money and near-money

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

R millions

	1967				1968	
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	April
Changes in money and near-money:						
Money	-75	94	-56	147	-47	74
Near-money	-9	29	59	39	24	37
Total	-84	123	3	186	-23	111
Causes of changes:						
Net gold and foreign exchange reserves	-68	-41	27	79	157	54
Claims on government sector	-158	49	122	12	-9	-10
Government deposits (increase -, decrease +)	40	54	-183	53	-204	47
Net claims on government sector	-118	103	-61	65	-213	37
Claims on private sector	112	86	27	53	60	-10
Long-term deposits (increase -, decrease +)	-12	-33	16	-28	-21	-12
Other assets and liabilities	2	8	-6	17	-6	42
Total	-84	123	3	186	-23	111

It is important to note, however, that of the latter reduction roughly half represented a purely seasonal decline (reflecting, for example, the seasonal shift of tax and other funds to the government sector), and that after adjustment for seasonal tendencies, total money and near-money actually showed an increase during this period of R146 million or 5.3 per cent. In other words, if allowance is made for seasonal factors, the decline in the banking sector's net claims on the government, although still amounting to over R100 million, was not large enough to offset completely the expansionary effect on money and near-money of the substantial increase in gold and foreign exchange reserves and in bank credit to the private sector.



The seasonally adjusted ratio of money and near-money to gross domestic product also increased further, namely from about $28\frac{1}{2}$ per cent in the fourth quarter of 1967 to nearly 29 per cent in the first quarter of 1968. Although still below the peak level of over 29 per cent reached during the first quarter of 1966, this was a relatively high figure compared with the average of roughly 26 per cent registered during the years 1955 to 1964. Despite the existence of a ceiling on certain types of bank credit to the private sector, the general monetary environment therefore appeared to be conducive to the re-emergence of inflationary pressure.

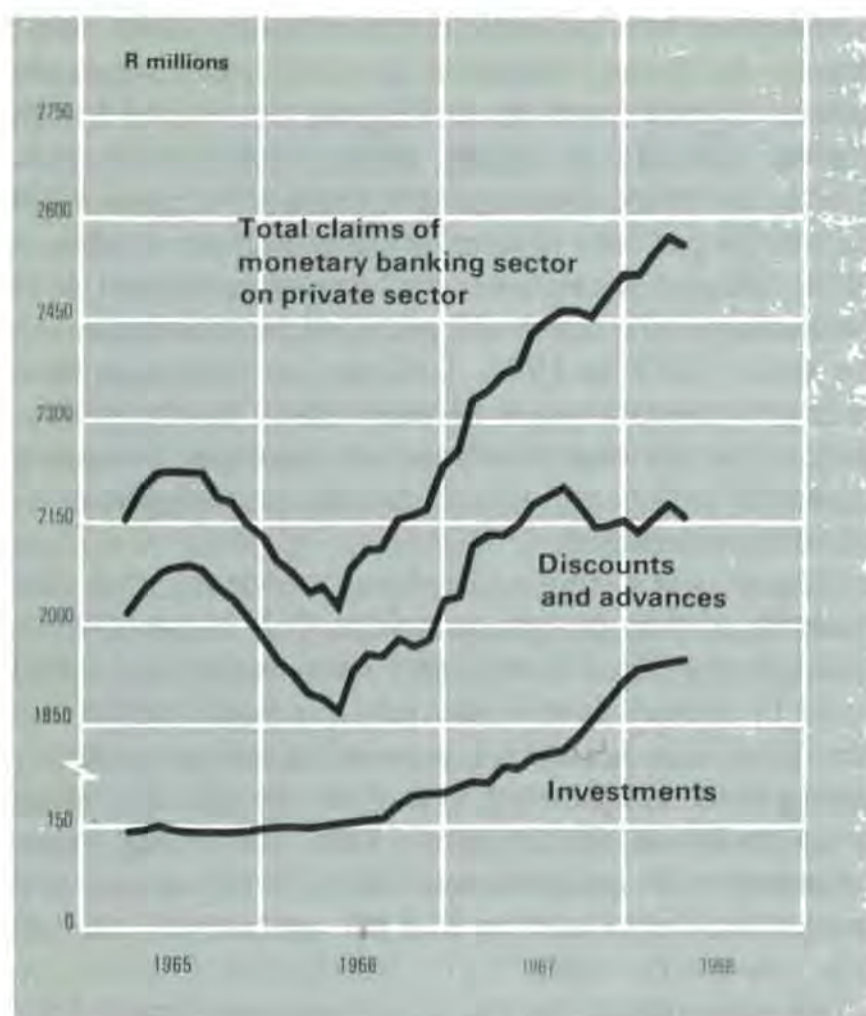
During April the underlying tendency for the liquidity of the private sector to rise became even stronger and total money and near-money increased by R111 million. Even if allowance is made for the fact that there is normally an upward seasonal tendency during April, the increase in that month still amounted to as much as R83 million. This meant that, after adjustment for seasonal variations, total money and near-money increased by 8.3 per cent during the first four months of 1968.

The main reason for the large increase during April was again a substantial rise in the net gold and foreign exchange reserves (R54 million). But a further contributory factor was an increase of R37 million in the net claims of the banking sector on the government sector, which was largely a seasonal rise following the partly seasonal decline of R213 million in these net claims during the first quarter. The banking sector's claims on the private sector actually declined by R10 million during April.

Bank credit to private sector

If the Land Bank's cash credit advances, which declined by about R59 million during the first quarter, are excluded, the claims of the banking sector on the private sector increased by R118 million during this period. As the accompanying table shows, this increase mainly took the form of a rise in discounts and advances, although the banks' investments also increased further. But whereas the increase in investments during the fourth quarter of 1967 had consisted mainly of additions to the banks' holdings of debentures of local authorities, the Land Bank and other public corporations, the investment rise during the first quarter of 1968 almost entirely represented an increase in company debentures.

During April the position changed significantly. Excluding a decline of R8 million in Land Bank cash credit advances, the claims of the banking sector on the private sector decreased by R2 million during this month. Discounts and advances to the private sector declined by R11 million while investments increased by only R8 million.



Changes in claims on private sector¹

R millions

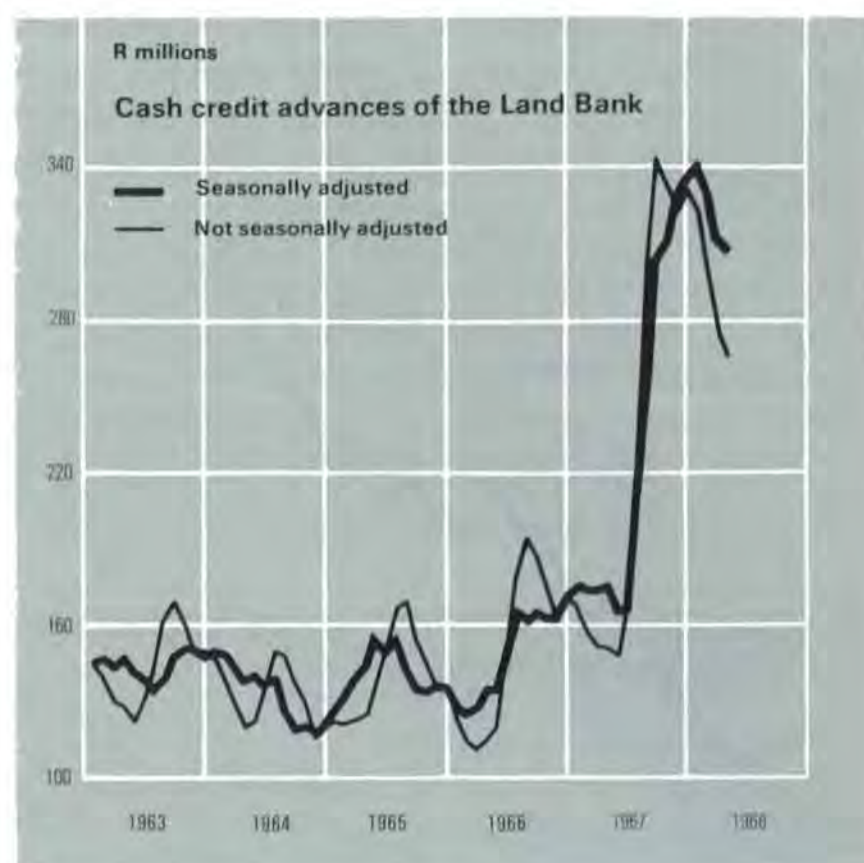
	4th Qtr. 1967	1st Qtr. 1968	April 1968
Discounts and advances	-12	+85	-11
Investments	+75	+30	+8
Deposits	+2	+3	+1
Total	+65	+118	-2

¹ Excluding cash credit advances of the Land Bank.

In May, the Reserve Bank by means of a notice in the Government Gazette instructed all monetary banks to ensure that from the end of that month the total of their investments with the private sector, other than their holdings of stocks, debentures and bills of local authorities, the Land Bank and other public corporations, would not exceed the amount of such investments as at the end of March 1968, unless any such excess had been authorised by notice in the Government Gazette or by the Reserve Bank in writing. This measure was meant to supplement the Bank's earlier directives imposing a ceiling on the monetary banks' discounts and advances to the private sector.

Decline in Land Bank credit

After rising from R171 million at the end of 1966 to a peak of R345 million at the end of September 1967 and then declining to R332 million at the end of that year, Land Bank cash credit advances continued to



decline slowly to R266 million at the end of April 1968, which was about R114 million higher than the April figure for the previous year.

Bank liquidity

During the first quarter of 1968 the excess liquid assets of the monetary banks, which had risen to an inordinately high level by the end of 1967 as a result mainly of the balance of payments surplus and the increase in Reserve Bank credit to the Land Bank, declined noticeably under the influence of seasonal factors, particularly the large increase in government deposits. During April, however, as some of these seasonal influences were reversed, they increased again, as indicated in the following table:

The high level of bank and private sector liquidity was also reflected in the large amounts of call money held with the discount houses and the National Finance Corporation. At the end of April, call loans to discount houses reached a new record of R311 million, while total call money with discount houses and the National Finance Corporation amounted to R461 million, which was only slightly below the level of R469 million attained in December 1967.

Excess liquidity ratios

	1967	1968			
	Dec. %	Jan. %	Feb. %	March %	April %
Commercial banks	14.5	8.5	8.2	7.8	9.4
Merchant banks	12.5	19.5	13.3	10.8	14.5
Monetary hire-purchase and general banks	11.0	12.4	10.1	10.5	14.8

Short-term interest rates

Despite the large and persistent surplus in the overall balance of payments during the first five months of 1968, the monetary authorities succeeded in maintaining the Treasury bill tender rate at the relatively high level of between 5.00 and 5.08 per cent throughout the whole of this period. During the first quarter of 1968 the main "stabilising" influence in the money market was a sharp decrease in the net claims of the Reserve Bank and the National Finance Corporation on the government sector. This, in turn, was mainly attributable to a large increase in government deposits with these two institutions, namely from a low point of R149 million on the 22nd December 1967 to a peak of R497 million on the 15th March 1968. Unlike the rise in government deposits between April and October 1967, this increase was not to any significant extent the result of increased net issues of Treasury bills and short-term government stock to banking institutions, but largely represented a shift of tax and other funds from the private non-bank sector to the government sector.

As mentioned earlier, however, the latter shift was to a large extent of a seasonal nature, and when the opposite seasonal movement began from about the middle of March, government deposits tended to decline. Since the gold and foreign exchange reserves were still rising strongly, this naturally resulted in an easing of money market conditions and exerted new downward pressure upon short-term interest rates. In order to offset this influence at least partially, the Reserve Bank during the second quarter again sold Land Bank bills to the discount houses, while the Treasury issued more bills. The commercial banks were also encouraged to invest more short-term funds abroad under the so-called "swop" arrangements.

A further step to prevent an undue easing of the money market was taken towards the end of April, when the Reserve Bank instructed all monetary banks to maintain with it from the end of May not only the normal minimum reserve balance equal to 8 per cent of their short-term liabilities to the public but also (1) an additional balance equal to 12 per cent of the increase in these liabilities after the end of March 1968 and (2) special deposits with the National Finance Corporation equal to 20 per cent of this increase.

Nevertheless, although these various measures achieved their objective to a considerable extent, the Treasury bill tender rate did begin to decline during the second quarter of 1968 and on the 7th June fell below 5 per cent for the first time since the beginning of December 1967. By the 14th June it had declined to 4.95 per cent. Various other short-term interest rates, including the deposit rates of banking institutions, showed a similar downward tendency.

Government finance

Figures which have now become available show clearly that central government finance had a pronounced "disinflationary" effect upon the liquidity of the private sector during the fiscal year ended March 1968. During this period, the Exchequer succeeded not only in reducing its net indebtedness to the foreign sector by R48 million but also in restricting the increase in its net indebtedness to the monetary banking sector to less than R1 million. The banking sector's holdings of government stock (mainly short-term) and Treasury bills actually increased by R120 million over the year, but this was almost completely offset by an increase of R119 million in the Exchequer balance¹. Both these changes reflected the official money market policy of providing short-term investment outlets to banking institutions as well as the private non-bank sector, with a view to withdrawing the proceeds from the spending stream and "sterilising" it with the Reserve Bank.

In actual fact, however, if the operations of the Public Debt Commissioners are fully taken into account, central government finance had a much greater contractionary effect upon private sector liquidity than the above figures suggest. This is because the Exchequer, in order not to exceed its legal borrowing powers, refrained from accepting from the Public Debt Commissioners all the funds the latter had available for investment during the fiscal year 1967/68. The result was that at the end of March 1968 the Commissioners had R117 million on deposit with the National Finance Corporation and R29 million with the Reserve Bank, all of which would normally have been in the Exchequer account. Had these funds been invested in the normal way, the Exchequer's indebtedness to the Public Debt Commissioners would have increased by R267 million instead of only R121 million, while its indebtedness to the banking sector would have shown a decline of R145 million during 1967/68, instead of an increase of R1 million².

This favourable overall result was attributable to two main factors. In the first place, despite extra appropriations totalling R85 million in the Additional Budget in February 1968, the total budget deficit (excluding borrowing) amounted to only R330 million for the full fiscal year 1967/68, compared with R340

¹This figure includes, apart from the normal Exchequer balance with the Reserve Bank and various investments, transfers of R83 million to a special Stabilisation Account with the Reserve Bank as provided for by the General Loans Act.

²During April 1968 most of the funds held by the Public Debt Commissioners with the National Finance Corporation and the Reserve Bank were, in fact, invested with the Exchequer and the latter's net indebtedness to the banking sector consequently declined considerably, namely by about R142 million.

Exchequer Finance
R millions

	1966/67	1967/68				
		Apr.- Jun.	Jul.- Sept.	Oct.- Dec.	Jan.- Mar.	Total
Total deficit (excluding borrowing)	340	41	10	56	223	330
Financing:						
Change in net indebtedness to:						
Foreign sector	-15	-23	-9	-1*	-15*	-48*
Private non-bank sector	167	18	56	55	127	256
Public Debt Commissioners	165	38	-2	29*	56*	121
Paymaster-General and social security funds	-1	20	-20	—	—	—
Sub-total	316	53	25	83	168	329
Monetary banking sector:						
Change in holdings of government securities	60	25	103	-22	14	120
Change in Exchequer balance (increase—, decrease +)	-36	-37	-118	-5*	41*	-119*
Sub-total	24	-12	-15	-27	55	1
Total financing	340	41	10	56	223	330

*After adjustment for foreign loans invested abroad and for investments with the P.D.C.

million during the previous year. This was the direct result of, on the one hand, restraints on government expenditure and, on the other, increases in both direct and indirect taxes.

Secondly, owing to such factors as an increase in loan levies, the issuing of tax-free Savings and Treasury bonds to personal savers, realistic interest rates on government stock and legislative changes in 1966 to force insurers, pension funds and unit trusts to invest a larger proportion of their funds in government stock, the Exchequer succeeded in borrowing a net amount of R256 million from the private non-bank sector during the 1967/68 fiscal year, compared with R167 million during the previous year and R65 million during 1965/66. The loan levies provided R76 million and the 6 per cent tax-free Treasury bonds R92 million, while insurers and pension funds increased their holdings of government stock by R67 million.

1968/69 Budget

No fundamental changes in fiscal policy were announced by the Minister of Finance when he presented his Budget to Parliament on the 27th March 1968. Although concessions were made to

pensioners, civil servants and marginal gold mines, tax rates remained practically unchanged and loan levy rates were maintained at the levels to which they had been raised in the preceding Budget. Total expenditure on Revenue and Loan Account was expected to rise by about 8 per cent to R2,099 million and total revenue (excluding borrowing) by about 3 per cent to R1,670 million. It was anticipated that the resultant deficit of R429 million would be financed in a way which would not have a significant expansionary effect upon the liquidity of the private sector.

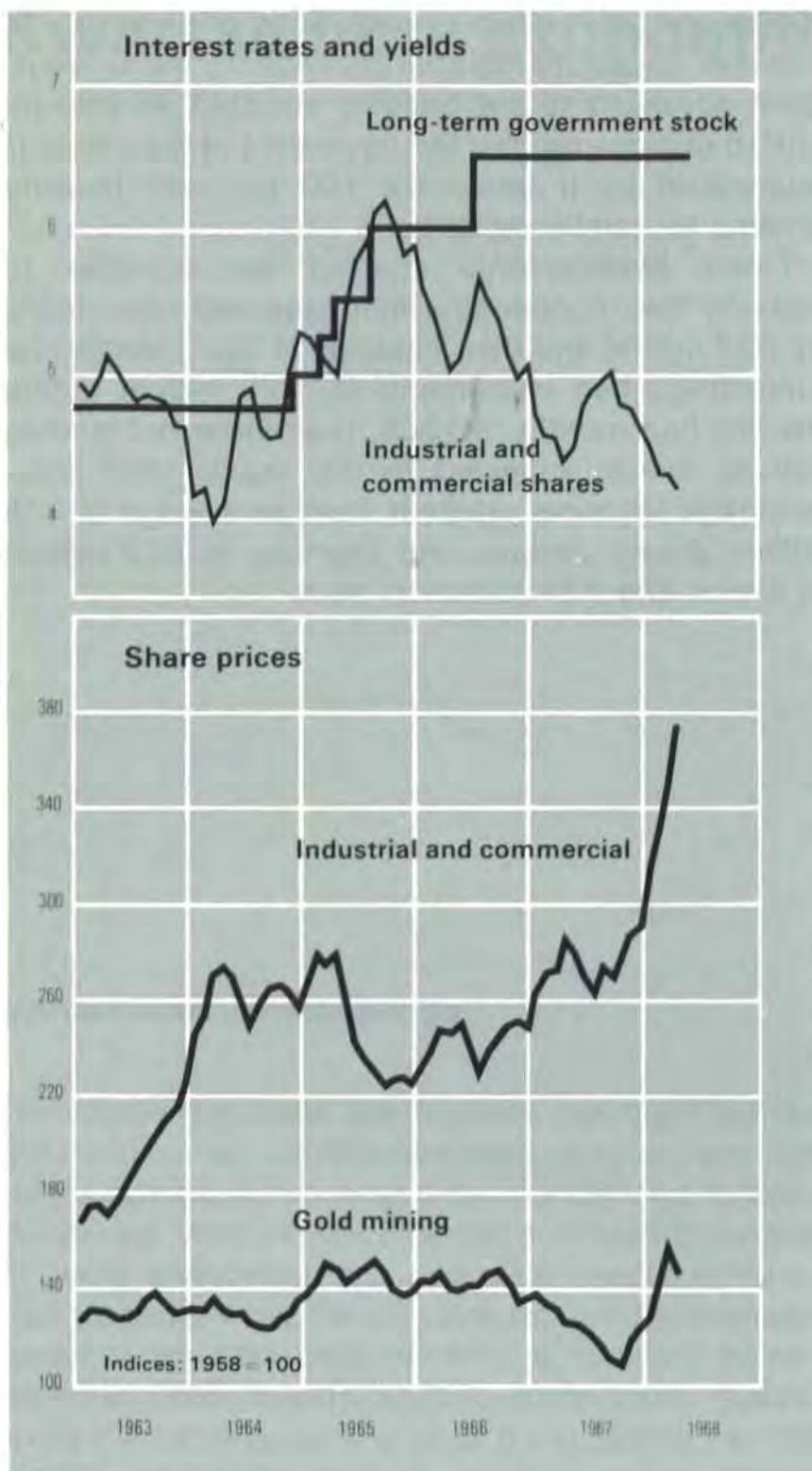
Capital market

Stock Exchange developments: share prices and yields

The main feature of the capital market during the first four months of 1968 was an exceptionally heavy demand for equities. The average monthly turnover on the Johannesburg Stock Exchange during this period was more than double the average monthly figure for 1967 and the prices of nearly all classes of shares increased to new record levels in March. During April, the prices of gold mining and mining financial shares declined somewhat, but those of industrial financial and industrial and commercial shares continued their strong upward movement. Between October (the month before the devaluation of sterling) and April, the indices of gold mining and of industrial and commercial share prices both increased by about 34 per cent.

The result of these price increases was that share yields declined to levels which were very low in relation not only to previous experience but also to rates on fixed-interest securities. The average yield on industrial and commercial shares, for example, was reduced to 4.2 per cent in April, compared with 4.8 per cent in October 1967, while the average yield on gold mining shares declined from 11.4 per cent in October to 6.8 per cent in March 1968, before rising again to 7.3 per cent in April. Since the rates and yields on most classes of fixed-interest investments remained more or less unchanged during this period, the reverse yield gap accordingly widened noticeably.

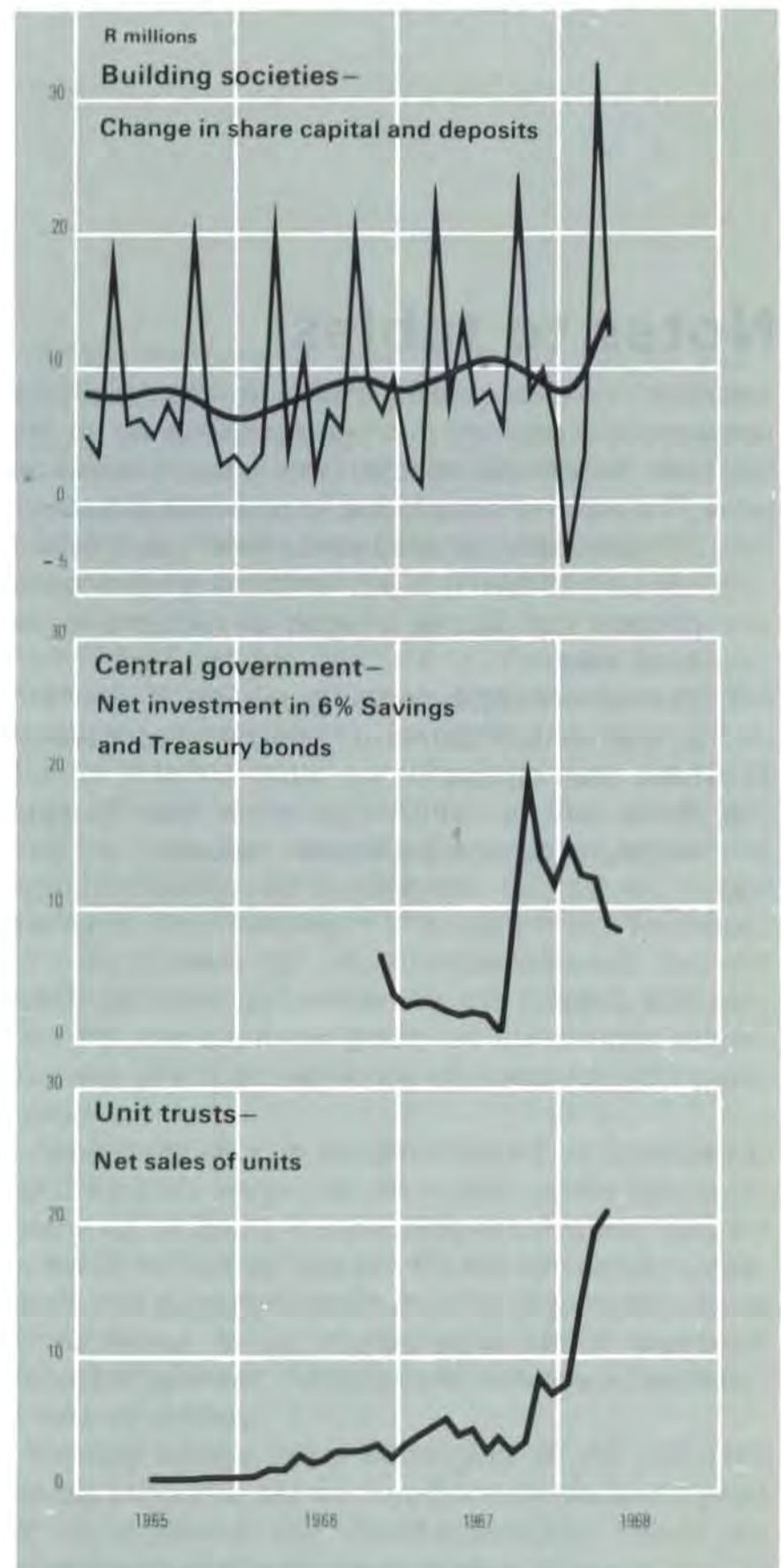
The increased tendency on the part of investors from October onwards to favour equities and other "growth" investments rather than fixed-interest investments, would not appear to have been related in the first instance to new inflationary developments in the internal economy—as pointed out earlier, the 1966/67 upswing in aggregate monetary demand levelled off from about the middle of 1967. The main explanation for the October-March boom on the Stock Exchange must therefore be sought elsewhere, and would appear to lie in the international currency uncertainty and gold price speculation which followed



Building societies

The changes in asset preferences referred to above understandably tended to slow down the expansion of building societies. During 1967 the societies still did very well—their total resources increased by R110 million over the year while their mortgage and other loans outstanding showed a rise of R135 million, which was more than double the increase of R63 million during the previous year. But during the first two months of 1968 they experienced a more than seasonal decline in their net inflow of funds.

To alleviate the position, the Minister of Finance in February announced certain special concessions



the devaluation of sterling in November 1967 and produced increased expectations of capital gains on South African shares.

Unit trusts

In the prevailing circumstances, unit trusts expanded at an exceptionally rapid rate. Compared with R49 million during 1967 as a whole, their net sales of units during the first four months of 1968 amounted to R60 million, while the market value of their net assets increased from R83 million at the end of 1967 to R174 million at the end of April 1968.

After declining between May and July 1967, the combined index of unit prices moved upwards again and in April 1968 stood at 175, compared with 140 in December 1967 and 118 in December 1966. The average yield on units accordingly declined to 2.5 per cent in April as against 3.1 in December 1967 and 3.8 in December 1966.

to building societies, including the right to issue to individuals a special class of permanent share, the interest on which would be tax-free up to a maximum of R400 per taxpayer per year. These concessions had a marked effect and, together with normal seasonal influences, helped to bring about a substantial increase in the net inflow of funds to building societies during March and April. Thus, after declining by R3 million during January and February, their deposits and share capital increased by R44 million during March and April, of which R24 million represented new cash investments in the special tax-free shares—the total amount invested in the latter shares during these two months actually amounted to R101 million, but R66 million represented conversions of other

shares and R11 million conversions of deposits. In addition, as another special concession, the Government advanced to the building societies an amount of R16 million—roughly the equivalent of the amounts guaranteed by it under the 100 per cent housing scheme for public servants.

These developments enabled the societies to increase their outstanding mortgage and other loans by R27 million and their holdings of liquid assets and other prescribed investments by R20 million during the first four months of 1968. Their increased lending activity is also indicated by the rise in their "new mortgage advances granted" from an average of R19 million during January and February to R29 million in March and R34 million in April.

Notes to tables

Attention is once again drawn to the fact that revisions to some of the figures appearing in the Quarterly Bulletin are effected once a year in the June issue. The main revisions in this issue are the following:

1. All seasonally adjusted series have been revised, not only to take into account changing seasonal patterns but also as a result of revisions in the basic data.
2. The balance of payments figures for the year 1967 as well as their distribution over the four quarters have been revised.
3. Some of the 1967 figures in the National Accounts section have been revised.

Kwartaallikse ekonomiese oorsig

Vernaamste verwikkelinge

Gedurende die eerste vier maande van 1968 het die Suid-Afrikaanse volkshuishouding voortgegaan om redelik stabiele ekonomiese groei te ondervind. Hoewel die private verbruik, die lopende owerheidsbesteding en vaste investering deur openbare owerhede merkbaar toegeneem het, het die vaste kapitaaluitgawes van sowel private sake-ondernemings as openbare korporasies, asook die investering in voorrade, verder gedaal, sodat die *totale* besteding slegs matig gestyg het. Dit het voorgekom asof die totale vraag en aanbod goed in ewewig was en daar was min aanduidings van algemene vraaginflasie. Sowel die verbruikers- as die groothandelsprysindeks het 'n betreklik matige styging getoon, terwyl die oorskot wat gedurende die tweede helfte van 1967 op die lopende rekening van die betalingsbalans begin voorkom het, aanmerklik toegeneem het—hoofsaaklik as gevolg van 'n groot styging in die uitvoer wat gepaard gegaan het met 'n baie matige herstel van die invoer.

Terselfdertyd was daar egter ook geen aanduidings van 'n algemene resessieneiging ná die meer gelyke verloop van die ekonomiese bedrywigheid gedurende die tweede helfte van 1967 nie. Inteendeel, terwyl sommige maandelikse ekonomiese aanwysers voortgegaan het om rondom 'n horisontale lyn te skommel, het die verloop van ander, veral teen die einde van die tydperk waarop hierdie oorsig betrekking het, gedui op die beginstadium van 'n nuwe oplewing in die ekonomie. So het dit byvoorbeeld gelyk asof daar, bo en behalwe die toename in die uitvoer, die private

verbruik, die lopende owerheidsbesteding en vaste investering deur openbare owerhede, ook 'n opswaai was in die produksie van die myn- en fabriekswese, die aantal nuwe motors en handelsvoertuie verkoop, kleinhandelsverkope en spoorweginkomste.

Alhoewel hierdie nuwe opwaartse neiging baie matig was en op sigself nie 'n heroplewing van inflasionistiese druk beteken het nie, is die toestand meer ingewikkeld gemaak deur die wydverspreide valutaonsekerheid en die goudpryspekulasie wat op die devaluasie van sterling in November 1967 gevolg het. Hierdie internasionale verwikkelinge het nie slegs nuwe inflasionistiese verwagtings in Suid-Afrika geskep nie, maar ook daartoe bygedra om 'n aansienlike netto invloeiing van buitelandse kapitaal en 'n oplewing op die Effektebeurs te weeg te bring. En aangesien die oorskot op die lopende rekening van die betalingsbalans gedurende hierdie tydperk ook verruim het, het die totale goud- en buitelandse valuta-reserwes vinnig en aansienlik tot nuwe rekordhoogtes gestyg.

Aangehelp deur 'n verdere styging in bankkrediet aan die private sektor, het die oorskot op die betalingsbalans op sy beurt 'n sterk ekspansionistiese invloed op die likwiditeit van die private nie-banksektor uitgeoefen, wat slegs gedeeltelik deur die regeringsfinansies geneutraliseer is. Op hierdie wyse het 'n algemene monetêre „klimaat” ontstaan wat potensieel bevorderlik was vir inflasie.

Vanweë hierdie nuwe bedreiging vir die stabiliteit van die ekonomie het die owerhede dit raadsaam geag om hulle vernaamste disinflasionistiese fiskale en monetêre maatreëls vir die huidige te behou.

Nasionale rekeninge¹

Bruto binnelandse produk en besteding

Nadat dit gedurende die tweede en die derde kwartale van 1967 skerp gestyg het en daarna gedurende die vierde kwartaal in werklikheid gedaal het, hoofsaaklik weens skommelings in die bydrae van die landbou, het die bruto binnelandse produk gedurende die eerste kwartaal van 1968 merkbaar gestyg. Hierdie opwaartse beweging was hoofsaaklik toe te skryf aan toenames in die bydraes van die private fabriekswese, die handel en die mynbou uitgesonderd goud—die bydrae van die landbou, wat gedurende die tweede en derde kwartale van 1967 aansienlik gestyg het voordat dit gedurende die vierde kwartaal gedaal het, het 'n verdere afname getoon.

Die bruto binnelandse besteding, wat gedurende die vierde kwartaal van 1967 nogal skerp gedaal het, het ook gedurende die eerste kwartaal van 1968 toegeneem, maar teen 'n baie stadiger koers as die bruto binnelandse produk.

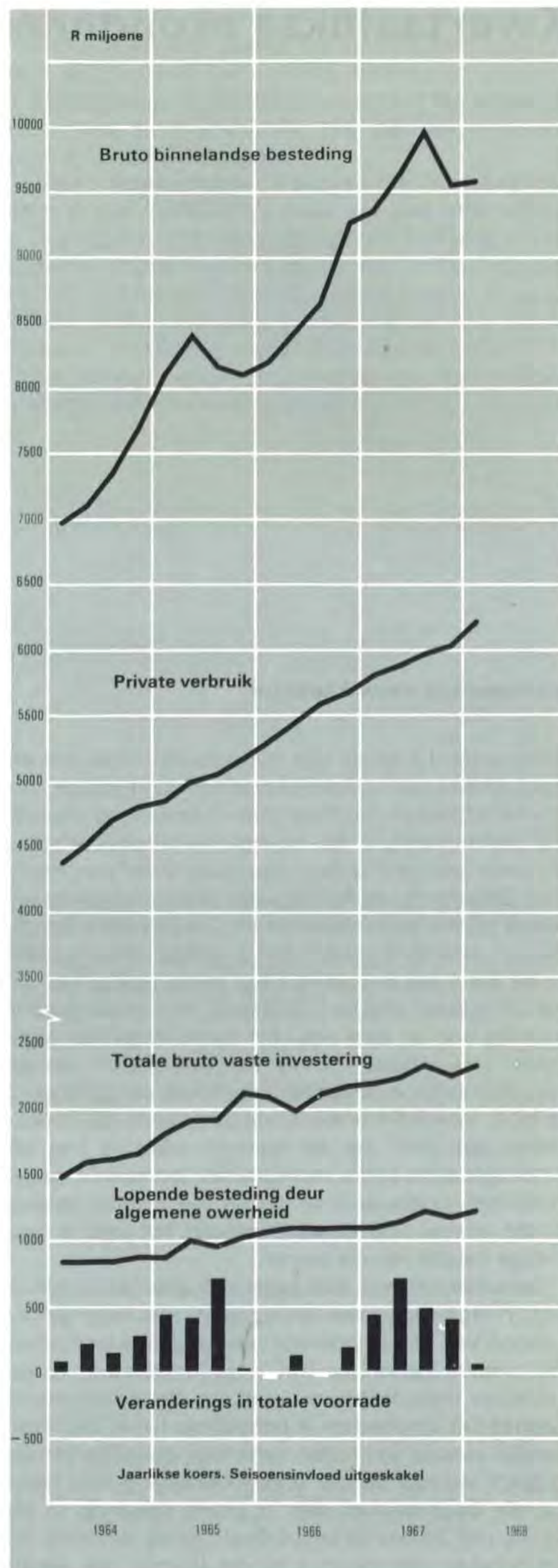


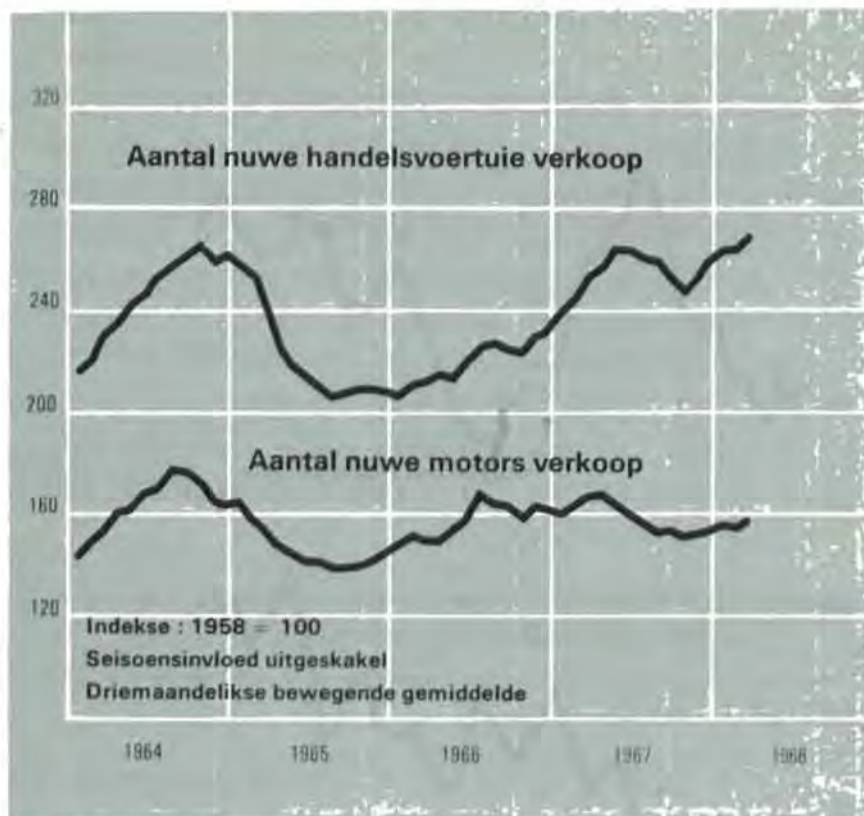
Private verbruiks- en lopende owerheidsbesteding

Die hooforsaak vir die toename in die bruto binnelandse besteding gedurende die eerste kwartaal was 'n redelik skerp styging in private verbruik. Hierdie toename was veral opvallend in die geval van nie-duursame goedere, alhoewel die besteding aan duursame goedere en dienste ook merkbaar toegeneem het. Die aantal nuwe motors verkoop, sowel as die indeks van kleinhandelsverkope, het geneig om toe te neem tot bo die peil van die vierde kwartaal van 1967.

Boonop het die lopende owerheidsbesteding aan goedere en dienste, wat gedurende die vierde kwartaal

¹ Die ontleding in hierdie deel van die Oorsig is hoofsaaklik gebaseer op die Reserwebank se kwartaallike ramings van die nasionale rekeninge, na uitskakeling van die seisoensinvloed. Aangesien hierdie syfers nog nie as betroubaar genoeg vir publikasie beskou word nie, word die ontleding van die kwartaallike verwickelinge tot die beskrywing van breë tendense beperk.





van 1967 afgeneem het en gedurende 1967 as geheel met slegs 6 persent toegeneem het, vergeleke met 'n gemiddelde jaarlikse koers van toename van ongeveer 12½ persent tussen 1960 en 1966, weer gedurende die eerste kwartaal van 1968 toegeneem tot ongeveer dieselfde peil as wat dit gedurende die derde kwartaal van 1967 bereik het.

Vaste kapitaalbesteding

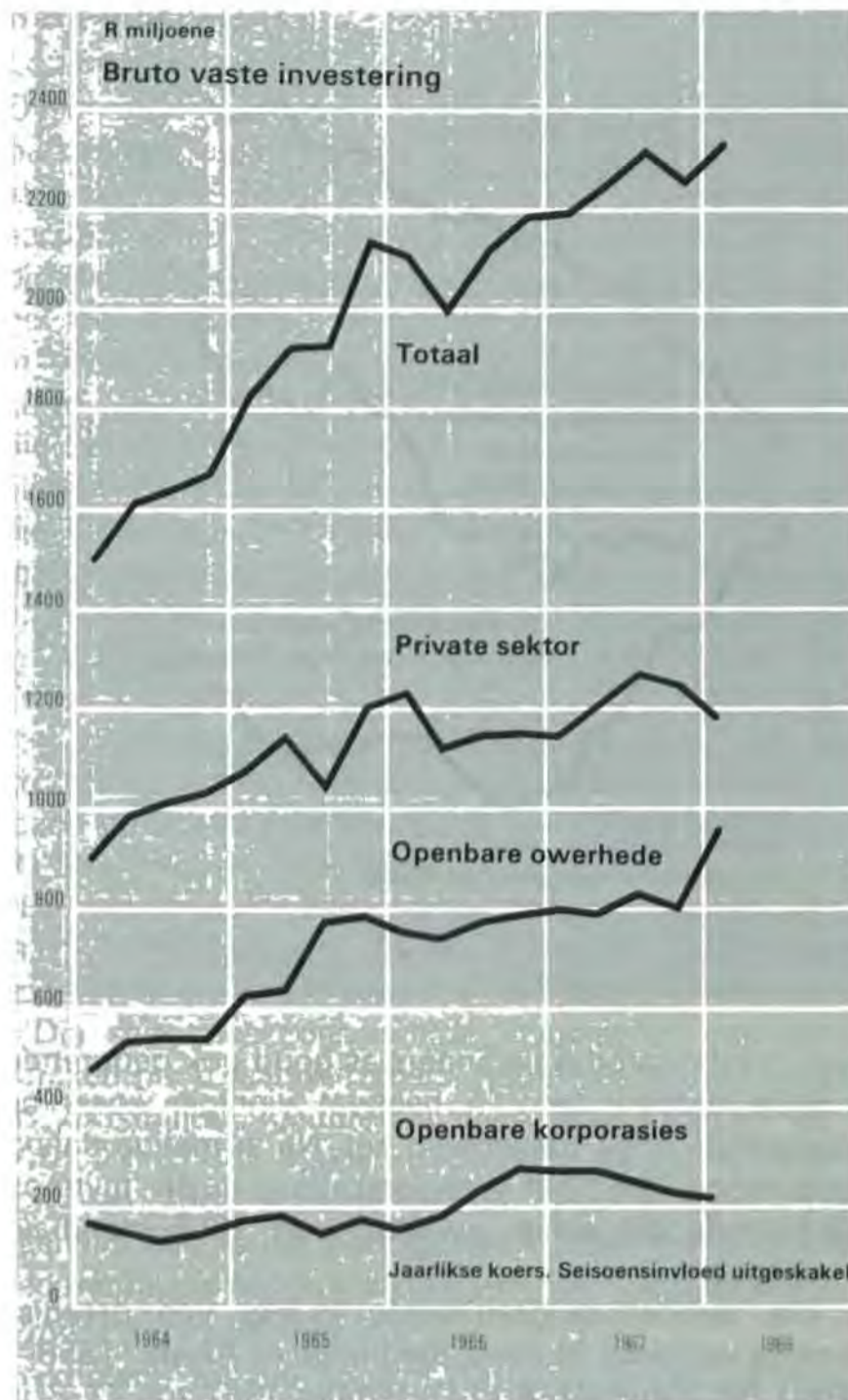
Bruto binnelandse vaste investering, wat gedurende die vierde kwartaal van 1967 afgeneem het, het ook gedurende die eerste kwartaal van 1968 'n matige toename getoon. Hierdie herstel was egter uitsluitlik toe te skryf aan 'n baie skerp toename in die vaste kapitaalbesteding van openbare *owerhede*, wat die Suid-Afrikaanse Spoorweë en Hawens insluit. In teenstelling daarmee het die vaste investering van openbare *korporasies* vir die vyfde opeenvolgende kwartaal effens afgeneem en private vaste kapitaalbesteding het selfs 'n meer opvallende daling as gedurende die vierde kwartaal van 1967 getoon—hoofsaaklik weens 'n afname in die vaste investering in die mynbou, die fabriekswese en woongeboue.

Voorraadinvestering

Totale voorraadinvestering het vir die derde opeenvolgende kwartaal gedaal, maar nogtans positief gebly, d.w.s. totale voorrade het nog toegeneem. Handels- en nywerheidsvoorrade het egter in werklikheid gedaal.

Uitvoer en invoer

Min of meer in ooreenstemming met die klein toename in die bruto binnelandse besteding, het die invoer van goedere en (nie-faktor-) dienste ook gedurende die eerste kwartaal van 1968 slegs effens gestyg. Die uitvoer van goedere en (nie-faktor-) dienste het egter aansienlik toegeneem tot 'n nuwe rekordhoogtepunt. Die betalingsbalans in lopende rekening het gevolglik nog verder verbeter, soos later in meer besonderhede



aangetoon sal word.

Bruto binnelandse besparing

Vergeleke met die vorige kwartaal, het die bruto binnelandse besparing gedurende die eerste kwartaal van 1968 min verandering getoon. Die samestelling daarvan het egter betekenisvol verander. Persoonlike besparing, wat gedurende 1967 aansienlik toegeneem het, het merkbaar gedaal terwyl maatskappybesparing (onuitgekeerde winste van maatskappye) met 'n ongeveer gelyke bedrag toegeneem het. Die lopende oorskot van die algemene owerheid het ongeveer konstant gebly.

Produksie en werkverskaffing

Nadat dit gedurende die tweede helfte van 1967 geneig het om gelyk te verloop, het die seisoensaangesuiwerde indeks van die fisiese volume van fabrieksproduksie weer gedurende die eerste twee maande van 1968 toegeneem. Verder het die indeks van die volume van goudproduksie, wat gedurende 1967 matig gedaal het, 'n sterk toename gedurende die maande Januarie tot April 1968 getoon, terwyl dié

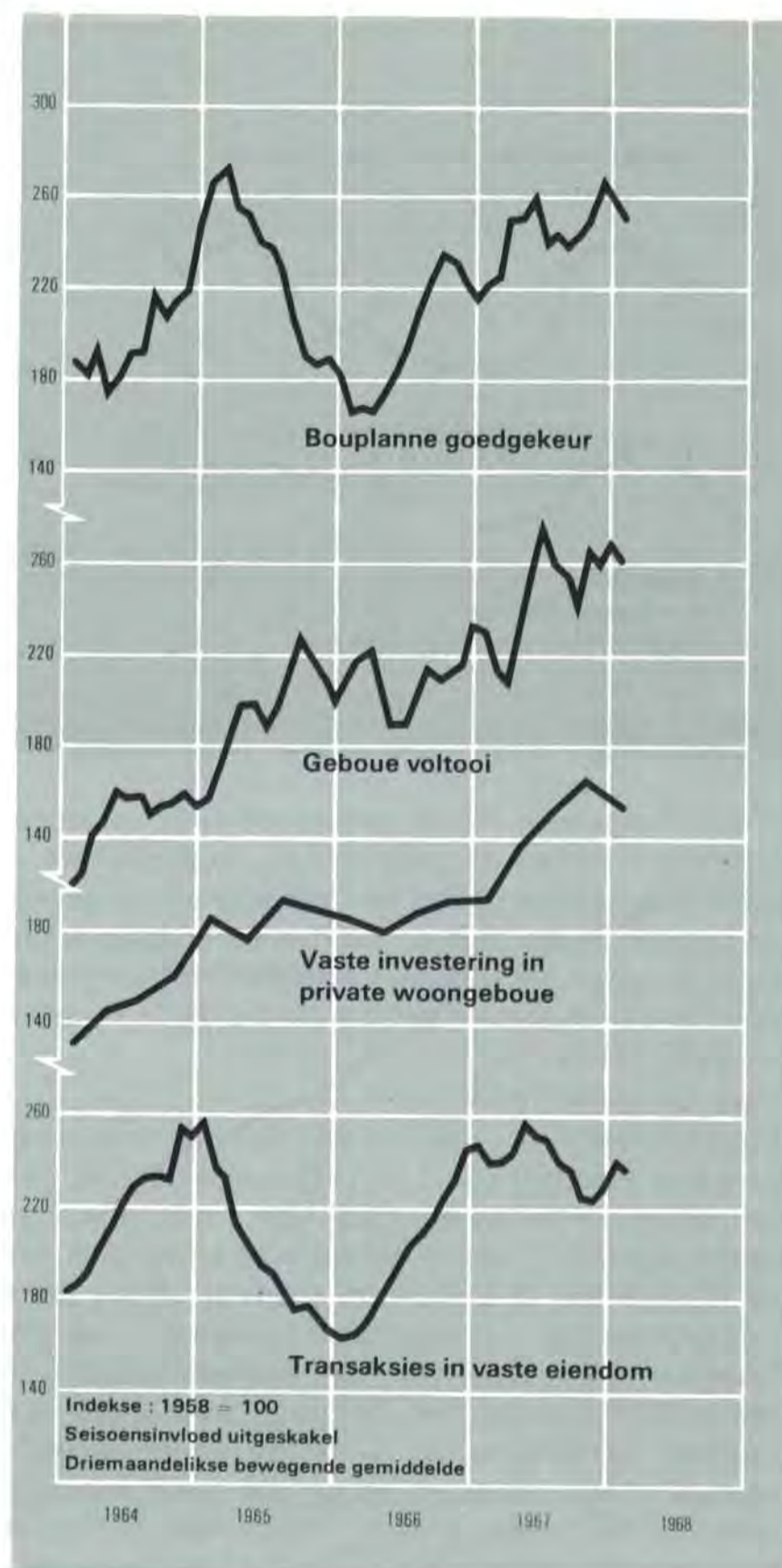


van mynbouproduksie anders as goud ook gedurende hierdie tydperk teen 'n heelwat vinniger koers as gedurende 1967 toegeneem het. Na 'n matige daling gedurende 1967 het werkverskaffing in die mynbou gedurende die eerste kwartaal van 1968 merkbaar toegeneem.

Die seisoensaangesuiwerde indeks van geregistreeerde werklose Blankes, Kleurlinge en Asiate (1958 = 100) het vanaf 82.4 in Desember 1967 tot 77.3 in April 1968 gedaal.

Algemene ekonomiese aanwysers

Soos gedurende die vierde kwartaal van 1967, was daar weer gedurende die eerste vier maande van 1968 'n opvallende verskil tussen die gedrag van sekere *monetêre* en *finansiële* aanwysers en dié van die beskikbare maandelikse aanwysers van *reële* ekonomiese bedrywigheid. Soos later in meer besonderhede in hierdie oorsig aangetoon sal word, het sulke monetêre en finansiële aanwysers soos die goud- en buitelandse valutareserwes, seisoensaangesuiwerde geld en kwasi-geld, aandeelbeursomset en aandeelpryse, almal aangehou om gedurende die eerste vier maande van 1968 sterk te styg. In skerp teenstelling met hierdie verwikkelinge, het 'n groot gedeelte van die *reële* ekonomiese aanwysers egter geneig om of horisontaal te beweeg of om slegs 'n matige nuwe opwaartse neiging gedurende hierdie tydperk te toon. Transaksies in vaste eiendom, bouplanne goedgekeur en die waarde van geboue voltooi, byvoorbeeld, het rondom 'n min of meer horisontale lyn geskommel, terwyl fabrieksproduksie, die aantal nuwe motors en



handelsvoertuie verkoop, kleinhandelsverkope en spoorweginkomste taamlik stadig toegeneem het.

Dit het geneig om die indruk te bevestig wat van die nasionale rekeninge- en betalingsbalansgegevens verkry is, naamlik dat, terwyl daar sekere tekens van die begin van 'n nuwe opswaai in totale vraag was en terwyl monetêre en finansiële toestande sekerlik bevorderlik vir so 'n oplewing was, die balans wat benaderd tussen totale vraag en aanbod gedurende die tweede helfte van 1967 bereik is, gedurende die tydperk onder bespreking gehandhaaf is.

Pryse

Nadat dit teen jaarkoerse van 3.5 persent tussen Desember 1966 en Junie 1967 en 0.3 persent tussen

Junie 1967 en Desember 1967 gestyg het, het die seisoensaangesuiwerde verbruikersprysin-deks teen 'n jaarkoers van 2.2 persent gedurende die eerste vyf maande van 1968 toegeneem. Die versnelling gedurende die laasgenoemde tydperk kan grootliks toegeskryf word aan die feit dat voedselprijs, wat merkbaar gedurende die tweede helfte van 1967 afgeneem het, weer gedurende die eerste vyf maande van 1968 toegeneem het. Die jaarkoers van toename van ander verbruikersprys het, vanaf 1.2 persent gedurende die eerste tydperk tot 2.2 persent gedurende die laasgenoemde tydperk toegeneem.

Verbruikersprysin-deks—seisoensinvloed uitgeskakel *Jaarlikse persentasiekoers van verandering*

Tydperk	Voedsel	Ander	Totaal
Des. 1965—Des. 1966	4.3	3.6	3.8
Des. 1966—Des. 1967	1.7	2.0	1.9
Des. 1966—Junie 1967	5.1	2.9	3.5
Junie 1967—Des. 1967	-1.6	1.2	0.3
Des. 1967—Mei 1968	1.9	2.2	2.2

Die seisoensaangesuiwerde indeks van groot-handelsprys het 'n soortgelyke neiging getoon. Nadat dit tussen Junie 1967 en Desember 1967 teen 'n jaarkoers van 0.3 persent gedaal het, het dit teen 'n jaarkoers van 1.5 persent tussen laasgenoemde maand en April 1968 toegeneem. Hierdie verandering was hoofsaaklik toe te skryf aan 'n styging in die groothandelsprys van landbou-, bosbou- en vissery-produkte gedurende die eerste vier maande van 1968, wat 'n skerp teenstelling met 'n aansienlike daling in hierdie prys gedurende die tweede helfte van 1967 gevorm het. Die indeks van groothandelsprys van Suid-Afrikaanse vervaardigde goedere het teen 'n jaarkoers van slegs 1.0 persent gedurende die eerste vier maande van 1968 toegeneem, vergeleke met 1.4 persent gedurende die tweede helfte van 1967.

Groothandelsprysin-deks—seisoensinvloed uitgeskakel *Jaarlikse persentasiekoers van verandering*

Tydperk	Goedere geproduseer in Suid-Afrika			Inge-voerde goedere	
	Land-bou, ens.	Fa-brieks-wese	Totaal	Totaal	Totaal
Des. 1965—Des. 1966	7.1	4.9	5.1	3.2	4.6
Des. 1966—Des. 1967	-2.5	1.6	1.0	1.5	1.1
Des. 1966—Junie 1967	6.3	1.7	2.9	1.9	2.6
Junie 1967—Des. 1967	-10.6	1.4	-0.8	1.0	-0.3
Des. 1967—April 1968	5.9	1.0	2.0	0.5	1.5

Betalingsbalans

Lopende rekening

Die oorskot op die lopende rekening van die betalings-balans het vanaf R22 miljoen gedurende die vierde kwartaal van 1967 tot R44 miljoen gedurende die eerste kwartaal van 1968 gestyg. Ná uitskakeling van die seisoensinvloed en gereken teen 'n jaarlikse koers, het die laasgenoemde oorskot R207 miljoen bedra. 'n Vergelyking van hierdie syfer met die lopende tekorte van R409 miljoen en R364 miljoen gedurende die eerste en tweede kwartaal van 1967, toon die aansienlike mate waartoe die lopende rekening van die betalingsbalans verbeter het na gelang die oor-matige vraag na goedere en dienste in die ekonomie afgeneem het.

Die toename in die lopende oorskot gedurende die eerste kwartaal van 1968 was hoofsaaklik te danke aan 'n verdere styging in die goedere-uitvoer. Op die grondslag van seisoensaangesuiwerde syfers omge-reken na 'n jaarlikse koers, het hierdie uitvoere vanaf R1,333 miljoen gedurende die vierde kwartaal van 1967 tot R1,613 miljoen gedurende die eerste kwar-taal van 1968 gestyg, vergeleke met R1,208 miljoen gedurende die eerste kwartaal van 1967.

Die seisoensaangesuiwerde invoersyfer, ook om-gereken na 'n jaarlikse koers, het effens gestyg vanaf R1,793 miljoen gedurende die vierde kwartaal van 1967 tot R1,861 miljoen gedurende die eerste kwar-taal van 1968. Laasgenoemde syfer is egter nog heelwat laer as die bedrag van R2,044 miljoen wat gedurende die eerste kwartaal van 1967 aangeteken is.

Private kapitaalbewegings

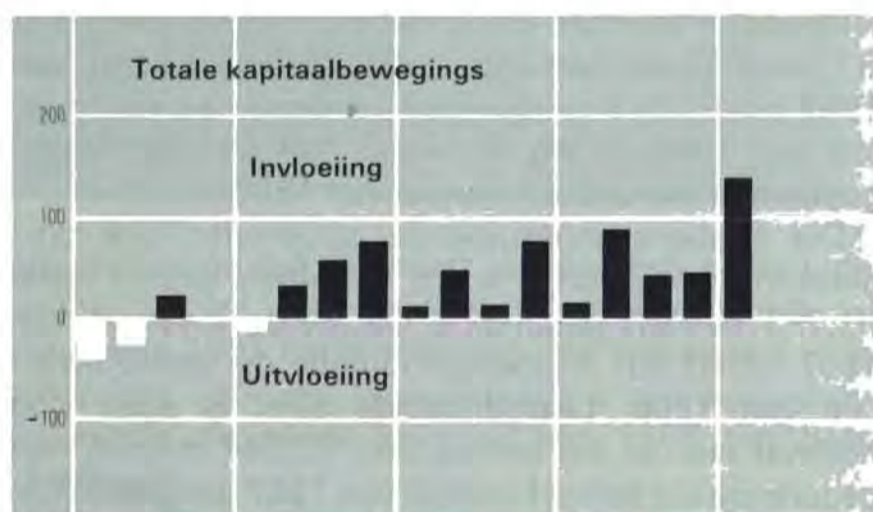
Bykomend tot die oorskot op die lopende rekening was daar ook 'n netto invloeiing van private kapitaal tot 'n bedrag van nagenoeg R108 miljoen gedurende die eerste kwartaal van 1968. R36 miljoen van hierdie bedrag het bestaan uit 'n netto invloeiing deur die Effektebeurs, terwyl R33 miljoen ander langtermyn-fondse, insluitende trekkings op buitelandse lenings van R9 miljoen deur Evkom en R10 miljoen deur Yskor, verteenwoordig. Die oorblywende saldo van R39 miljoen sluit foute en onaangetekende transaksies in.

Regerings- en bankkapitaal

In teenstelling met die netto uitvloeiing van kapitaal gedurende die voorafgaande ses kwartale, was daar gedurende die eerste kwartaal van 1968 'n netto in-vloeiing van R19 miljoen in die vorm van sentrale regerings- en bankkapitaal. Dit was hoofsaaklik te danke aan 'n netto invloeiing van R13 miljoen by wyse van korttermynkapitaal wat na monetêre banke, uitge-sonderd die Reserwebank, gevloei het.

Goud- en buitelandse valuta-reserwes

As gevolg van die lopende oorskot van R44 miljoen en die netto kapitaalinvloeiing van R127 miljoen, het die totale besit aan goud- en buitelandse valuta-



reserwes met R171 miljoen gedurende die eerste kwartaal van 1968 gestyg tot 'n peil van R728 miljoen aan die einde van Maart.

Verwikkelinge gedurende April en Mei

Die totale reserwes het gedurende April verder met R50 miljoen gestyg en met naastenby dieselfde bedrag gedurende Mei, sodat die totaal rofweg op R830 miljoen aan die einde van Mei te staan gekom het. Voorlopige aanduidings wil daarop dui dat die lopende rekening verder verbeter het gedurende April en dat die netto kapitaalinvloeiing gedurende April gedaal het voordat dit weer in Mei gestyg het.

Monetêre en banktoestand

Geld en kwasi-geld

Ondanks 'n styging in die goud- en buitelandse valuta-reserwes van R157 miljoen en 'n toename van R60 miljoen in die eise van die monetêre banksektor teen die private sektor, het die totale hoeveelheid geld en kwasi-geld gedurende die eerste kwartaal van 1968 met ongeveer R23 miljoen of ietwat minder as 1 persent gedaal. Soos die bygaande tabel toon, kon dit grotendeels aan 'n afname van R213 miljoen in die netto eise van die monetêre banksektor teen die regeringsektor toegeskryf word.

Oorsake van verandering in geld en kwasi-geld

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

R miljoene

	1967				1968	
	1e kw.	2e kw.	3e kw.	4e kw.	1e kw.	April
Verandering in geld en kwasi-geld:						
Geld	-75	94	-56	147	-47	74
Kwasi-geld	-9	29	59	39	24	37
Totaal	-84	123	3	186	-23	111
Oorsake van verandering:						
Netto goud- en buitelandse valuta-reserwes	-68	-41	27	79	157	54
Eise teen regeringsektor	-158	49	122	12	-9	-10
Regeringsdeposito's (toename-, afname+)	40	54	-183	53	-204	47
Netto eise teen die regeringsektor	-118	103	-61	65	-213	37
Eise teen private sektor	112	86	27	53	60	-10
Langtermyndeposito's (toename-, afname+)	-12	-33	16	-28	-21	-12
Ander bates en laste	2	8	-6	17	-6	42
Totaal	-84	123	3	186	-23	111

Dit is egter belangrik om daarop te let dat van laasgenoemde daling ongeveer die helfte 'n suiwer seisoenale afname verteenwoordig het (wat byvoorbeeld die seisoenale verskuiwing van belasting- en ander fondse na die regeringsektor weerspieël het) en



dat die totale hoeveelheid geld en kwasi-geld ná aansuiwering vir seisoensinvloede in werklikheid gedurende hierdie tydperk 'n toename van R146 miljoen of 5.3 persent getoon het. Met ander woorde, indien seisoensfaktore in aanmerking geneem word, was die afname in die netto eise van die banksektor teen die regeringsektor, hoewel dit nog meer as R100 miljoen bedra het, nie groot genoeg om die ekspansionistiese invloed op geld en kwasi-geld van die aansienlike styging in die goud- en buitelandse valuta-reserwes en in bankkrediet aan die private sektor geheel en al te neutraliseer nie.

Die seisoensaangesuiwerde verhouding van geld en kwasi-geld tot die bruto binnelandse produk het ook verder gestyg, naamlik vanaf ongeveer 28½ persent in die vierde kwartaal van 1967 tot byna 29 persent in die eerste kwartaal van 1968. Hoewel dit nog steeds laer was as die hoogtepunt van meer as 29 persent wat gedurende die eerste kwartaal van 1966 behaal is, was dit 'n relatief hoë syfer in vergelyking met die gemiddelde van ongeveer 26 persent wat gedurende die jare 1955 tot 1964 aangeteken is. Ten spyte van die bestaan van 'n plafon op sekere soorte bankkrediet aan die private sektor was die algemene monetêre „klimaat“ dus bevorderlik vir 'n herop-lewing van inflasionistiese druk.

Gedurende April het die onderliggende neiging vir die likwiditeit van die private sektor om toe te neem selfs nog sterker geword en het die totale hoeveelheid geld en kwasi-geld met R111 miljoen gestyg. Selfs indien die feit dat daar gedurende April normaalweg 'n opwaartse seisoensneiging bestaan, in aanmerking geneem word, het die toename in daardie maand nog steeds soveel as R83 miljoen bedra. Dit het beteken dat die totale hoeveelheid geld en kwasi-geld ná aansuiwering vir seisoenskommelings gedurende die eerste vier maande van 1968 met 8.3 persent toegeneem het.

Die hooforsaak van die groot styging gedurende April was weer eens 'n aansienlike styging in die netto goud- en buitelandse valuta-reserwes (R54 miljoen). 'n Verdere bydraende faktor was egter 'n toename van R37 miljoen in die netto eise van die banksektor teen die regeringsektor, wat grotendeels 'n seisoenstyging was ná die gedeeltelik seisoenale daling van R213 miljoen in hierdie netto eise gedurende die eerste kwartaal. Die eise van die banksektor teen die *private* sektor het in werklikheid gedurende April met R10 miljoen afgeneem.

Bankkrediet aan die private sektor

Indien die kaskredietvoorskotte van die Landbank, wat gedurende die eerste kwartaal met ongeveer R59 miljoen gedaal het, uitgesluit word, het die eise van die banksektor teen die private sektor gedurende hierdie tydperk met R118 miljoen toegeneem. Soos die bygaande tabel toon, het hierdie toename hoof-



saaklik die vorm aangeneem van 'n styging in diskonteringe en voorskotte, hoewel die beleggings van die banke ook verder gestyg het. Maar terwyl die styging in beleggings gedurende die vierde kwartaal van 1967 hoofsaaklik uit toevoegings tot die banke se besit aan obligasies van plaaslike besture, die Landbank en ander openbare korporasies bestaan het, het die beleggingstoename gedurende die eerste kwartaal van 1968 byna geheel en al 'n vermeerdering van hul obligasies in maatskappye verteenwoordig.

Gedurende April het die toestand beduidend verander. Met uitsluiting van 'n daling van R8 miljoen in kaskredietvoorskotte van die Landbank, het die eise van die banksektor teen die private sektor gedurende hierdie maand met R2 miljoen afgeneem. Diskonteringe en voorskotte aan die private sektor het met R11 miljoen gedaal terwyl beleggings met slegs R8 miljoen gestyg het.

In Mei het die Reserwebank deur middel van 'n kennisgewing in die Staatskoerant alle monetêre banke opdrag gegee om te verseker dat vanaf die

Verandering in eise teen die private sektor¹
R miljoene

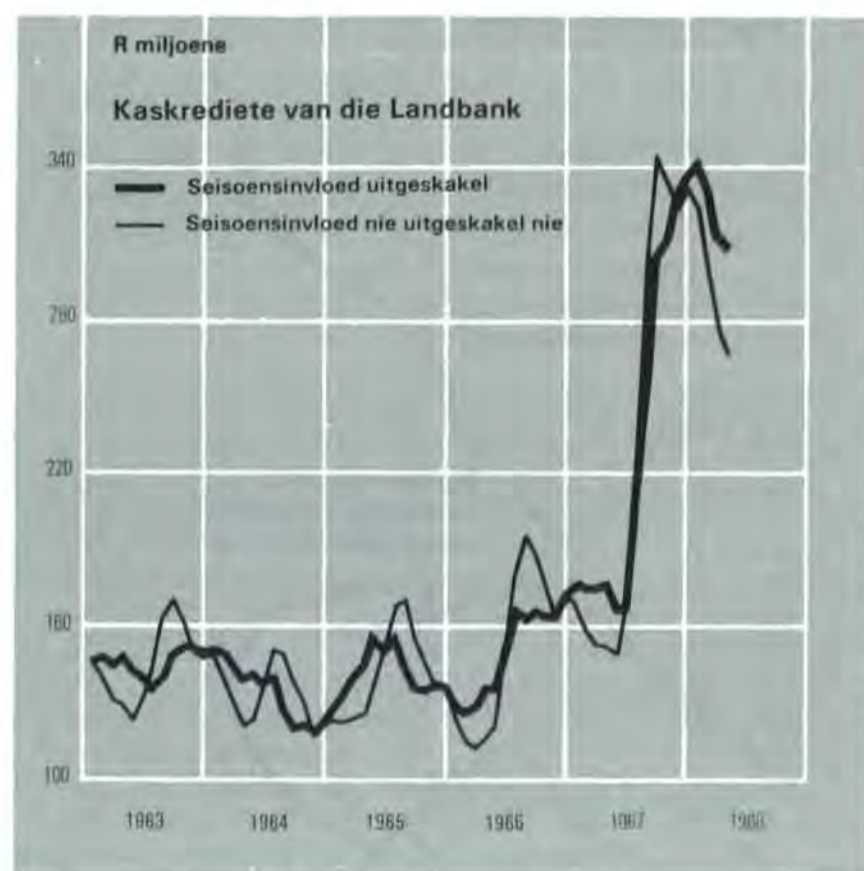
	4e kw. 1967	1e kw. 1968	April 1968
Diskonteringe en voorskotte	-12	+85	-11
Beleggings	+75	+30	+8
Deposito's	+2	+3	+1
Totaal	+65	+118	-2

¹Met uitsondering van kaskredietvoorskotte van die Landbank.

einde van daardie maand die totaal van hul beleggings in die private sektor, anders as hul besit aan effekte, obligasies en wissels van plaaslike besture, die Landbank en ander openbare korporasies, nie die bedrag van hierdie beleggings soos aan die einde van Maart 1968 sou oorskry nie tensy enige sodanige oorskryding deur kennisgewing in die Staatskoerant of skriftelik deur die Reserwebank gemagtig was. Hierdie maatreeël was bedoel om die vroeëre voorskrifte van die Reserwebank waardeur 'n plafon op die diskonteringe en voorskotte van die monetêre banke aan die private sektor geplaas is, aan te vul.

Afname in Landbankkrediet

Nadat dit vanaf R171 miljoen aan die einde van 1966 tot 'n hoogtepunt van R345 miljoen aan die einde van September 1967 gestyg het en daarna tot R332 miljoen aan die einde van daardie jaar gedaal het, het die kaskredietvoorskotte van die Landbank aangehou om stadig tot R266 miljoen aan die einde van April 1968 te daal, wat ongeveer R114 miljoen hoër was as die syfer vir April van die vorige jaar.



Banklikwiditeit

Gedurende die eerste kwartaal van 1968 het die oorskot likwiede bates van monetêre banke, wat teen die einde van 1967, hoofsaaklik as gevolg van die betalingsbalansoorskot en die toename in krediet van die Reserwebank aan die Landbank tot 'n buitengewoon hoë peil gestyg het, onder die invloed van seisoensfaktore, in die besonder die groot toename in regeringsdeposito's, merkbaar gedaal. Gedurende April het dit egter weer toegeneem namate sekere van hierdie seisoensinvloede omgedraai het, soos in die volgende tabel aangedui word:

Oorskot-likwiedebateverhoudings

	1967	1968			
	Des. %	Jan. %	Feb. %	Mrt. %	April %
Handelsbanke	14.5	8.5	8.2	7.8	9.4
Aksepbanke	12.5	19.5	13.3	10.8	14.5
Monetêre huurkoop- en algemene banke	11.0	12.4	10.1	10.5	14.8

Die hoë peil van likwiditeit van die banksektor en die private sektor is ook weerspieël in die groot bedrae aan daggeld wat by die diskontohuise en die Nasionale Finansiële korporasie gehou is. Aan die einde van April het daggeldlenings aan die diskontohuise 'n nuwe rekord van R311 miljoen bereik, terwyl die totale hoeveelheid daggeld by die diskontohuise en die Nasionale Finansiële korporasie R461 miljoen bedra het, wat slegs effens minder was as die peil van R469 miljoen wat in Desember 1967 behaal is.

Korttermynrentekoerse

Ten spyte van die groot en voortdurende oorskot op die betalingsbalans in sy geheel gedurende die eerste vyf maande van 1968, het die monetêre owerhede daarin geslaag om die skatkiswissel-tenderkoers dwarsdeur hierdie periode op die betreklik hoë peil van tussen 5.00 en 5.08 persent te handhaaf. Gedurende die eerste kwartaal van 1968 was die belangrikste „stabiliserende” invloed op die geldmark 'n skerp afname in die netto eise van die Reserwebank en die Nasionale Finansiële korporasie teen die regering-sektor. Dit kan op sy beurt weer hoofsaaklik toegeskryf word aan 'n groot styging in regeringsdeposito's by hierdie twee instellings, naamlik vanaf 'n laagtepunt van R149 miljoen op 22 Desember 1967 tot 'n hoogtepunt van R497 miljoen op 15 Maart 1968. Anders as die styging in regeringsdeposito's tussen April en Oktober 1967 was hierdie toename nie in enige beduidende mate die gevolg van vermeerderde netto uitreikings van skatkiswissels en korttermynstaats-effekte aan bankinstellings nie, maar het dit groten-deels uit 'n verskuiwing van belasting- en ander fondse van die private nie-banksektor na die regering-sektor bestaan.

Soos voorheen reeds genoem is, was laasgenoemde verskuiwing egter in belangrike mate van 'n seisoens-aard en toe vanaf omstreeks die middel van Maart die teenoorgestelde seisoensbeweging begin het, het die regeringsdeposito's geneig om te daal. Aangesien die goud- en buitelandse valuta-reserwes nog steeds skerp gestyg het, het dit vanselfsprekend tot 'n ver-ruiming van die toestand op die geldmark gelei en is hierdeur nuwe afwaartse druk op korttermynrente-koerse uitgeoefen. Om die invloed hiervan ten minste gedeeltelik teen te gaan, het die Reserwebank ge-durende die tweede kwartaal weer eens Landbank-

wissels aan die diskontohuise verkoop terwyl die Tesourie meer wissels uitgereik het. Die handelsbanke is ook aangemoedig om meer korttermynfondse onder die sogenoemde „swop”-ooreenkomste in die buite-land te belê.

'n Verdere maatreeël om 'n oormatige verruiming van die geldmark te voorkom, is teen die einde van April getref toe die Reserwebank alle monetêre banke opdrag gegee het om vanaf die einde van Mei nie slegs die normale minimum reserwesaldo gelyk aan 8 persent van hul korttermynverpligtings teenoor die publiek by hom aan te hou nie, maar ook (1) 'n verdere saldo gelyk aan 12 persent van die toename in hierdie verpligtings vanaf die einde van Maart 1968 en (2) spesiale deposito's by die Nasionale Finansiële korporasie gelyk aan 20 persent van hierdie toename.

Alhoewel hierdie verskeie maatreeëls in aansienlike mate in hul doel geslaag het, het die skatkiswissel-tenderkoers gedurende die tweede kwartaal van 1968 nietemin begin daal en op 7 Junie het dit vir die eerste keer sedert die begin van Desember 1967 tot onder 5 persent geval. Teen 14 Junie het dit tot 4.95 persent gedaal. Verskeie ander korttermynrentekoerse, waar-onder die depositokoerse van bankinstellings, het 'n soortgelyke afwaartse neiging getoon.

Staatsfinansies

Syfers wat nou beskikbaar gekom het, toon duidelik dat die finansies van die sentrale regering 'n sterk „disinflasionistiese” uitwerking op die likwiditeit van die private sektor gedurende die fiskale jaar geëindig Maart 1968 gehad het. Gedurende hierdie tydperk het die Skatkis nie slegs daarin geslaag om sy netto skuldposisie teenoor die buitelandse sektor met R48 miljoen te verlaag nie, maar ook om die toename in sy netto skuldposisie teenoor die monetêre banksektor tot minder as R1 miljoen te beperk. Die banksektor se besit aan staatseffekte (hoofsaaklik korttermyn-effekte) en skatkiswissels het in werklikheid met R120 miljoen oor die jaar toegeneem, maar dit was byna volkome geneutraliseer deur 'n styging van R119 miljoen in die skatkissaldo¹. Albei hierdie veranderings weer-spieël die amptelike geldmarkbeleid om korttermyn-beleggingsgeleenthede aan sowel bankinstellings as die private nie-banksektor beskikbaar te stel met die doel om die fondse uit die bestedingstroom te onttrek en dit by die Reserwebank te „steriliseer”.

Indien die werksaamhede van die Staatskuldkom-missaris egter in sy geheel in berekening gebring word, het die finansies van die sentrale regering in werklikheid 'n veel groter vernouende invloed op private sektor likwiditeit uitgeoefen as wat boge-noemde syfers te kenne gee. Dit het gebeur omdat die

¹Afgesien van die normale skatkissaldo by die Reserwebank en verskeie beleggings, sluit hierdie syfer oordragte in van R83 miljoen na 'n spesiale Stabilisasie-rekening by die Reserwebank waarvoor voorsiening in die Algemene Leningswet gemaak is.

Skatkisfinansies

R miljoene

	1966/67	1967/68				
		Apr.- Jun.	Jul.- Sept.	Okt.- Des.	Jan.- Maart	Totaal
Totale tekort (uitgesonderd lenings)	340	41	10	56	223	330
Finansiering:						
Verandering in netto skuldposisie teenoor:						
Buitelandse sektor	-15	-23	-9	-1*	-15*	-48*
Private nie-banksektor	167	18	56	55	127	256
Staatskuldkommissarisie	165	38	-2	29*	56*	121
Betaalmeester-generaal en bestaans-beveiligingsfondse	-1	20	-20	—	—	—
Sub-totaal	316	53	25	83	168	329
Monetêre banksektor:						
Verandering in besit aan staatspapier	60	25	103	-22	14	120
Verandering in skatkissaldo (toename-, afname+)	-36	-37	-118	-5*	41*	-119*
Sub-totaal	24	-12	-15	-27	55	1
Totale finansiering	340	41	10	56	223	330

*Na aansuiwering vir buitelandse lenings in die buiteland belê en vir beleggings by die S.S.K.

Skatkis, ten einde nie sy wetlike leningsmagte te oorskry nie, hom daarvan weerhou het om van die Staatskuldkommissarisie al die fondse wat laasgenoemde vir belegging gedurende die fiskale jaar 1967/68 beskikbaar gehad het, in ontvangs te neem. Die gevolg was dat die Kommissarisie aan die einde van Maart 1968 R117 miljoen op deposito by die Nasionale Finansiële korporasie en R29 miljoen by die Reserwebank gehad het wat normaalweg alles in die skatkisrekening gestort sou gewees het. As hierdie fondse op die normale wyse belê was, sou die Skatkis se netto skuldposisie teenoor die Staatskuldkommissarisie met R267 miljoen gestyg het in plaas van met slegs R121 miljoen, terwyl sy netto skuldposisie teenoor die banksektor 'n daling van R145 miljoen gedurende 1967/68 sou getoon het in plaas van 'n styging van R1 miljoen¹.

Hierdie gunstige resultaat was aan twee hoof faktore te wyte. Eerstens, ondanks addisionele bewilligings ten bedrae van R85 miljoen in die Addisionele Begroting in Februarie 1968, het die totale begrotingstekort (uitgesonderd lenings) slegs R330 miljoen vir die volle 1967/68 fiskale jaar bedra, vergeleke met

R340 miljoen in die vorige jaar. Dit was die direkte gevolg van, enersyds, die beperking van regeringsuitgawes en, andersyds, die verhoging van sowel direkte as indirekte belastinge.

Tweedens, weens faktore soos 'n verhoging van leningsheffings, die uitgifte van belastingvrye Spaar- en Tesourie-obligasies aan persoonlike spaarders, realistiese rentekoerse op staatseffekte en wetlike veranderinge in 1966 om versekeraars, pensioenfondse en effekte-truists te verplig om 'n groter gedeelte van hul fondse in staatseffekte te belê, het die Skatkis daarin geslaag om 'n netto bedrag van R256 miljoen gedurende die 1967/68 fiskale jaar van die private nie-banksektor te leen, vergeleke met R167 miljoen gedurende die vorige jaar en R65 miljoen gedurende 1965/66. Leningsheffings het R76 miljoen voorsien en die 6% belastingvrye Tesourie-obligasies R92 miljoen, terwyl versekeraars en pensioenfondse hulle besit aan staatseffekte met R67 miljoen verhoog het.

1968/69 Begroting

Geen fundamentele veranderinge in fiskale beleid is deur die Minister van Finansies aangekondig met die indiening van sy Begroting in die Parlement op 27 Maart 1968 nie. Hoewel toegewings aan pensioentrekkers, staatsamptenare en grensgoudmyne gemaak is, het belastingkoerse feitlik onveranderd gebly en is die leningsheffings behou op die peil waartoe dit in die vorige Begroting verhoog is. Totale uitgawes op Inkomste- en Leningsrekening is verwag om met 8 persent tot R2,099 miljoen te styg en totale inkomste (uitgesonderd lenings) met ongeveer 3 persent tot R1,670 miljoen. Daar is in die vooruitsig gestel dat die gevolglike tekort van R429 miljoen op 'n wyse gefinansier sou word wat nie 'n betekenisvolle ekspansionistiese uitwerking op die likwiditeit van die private sektor sou hê nie.

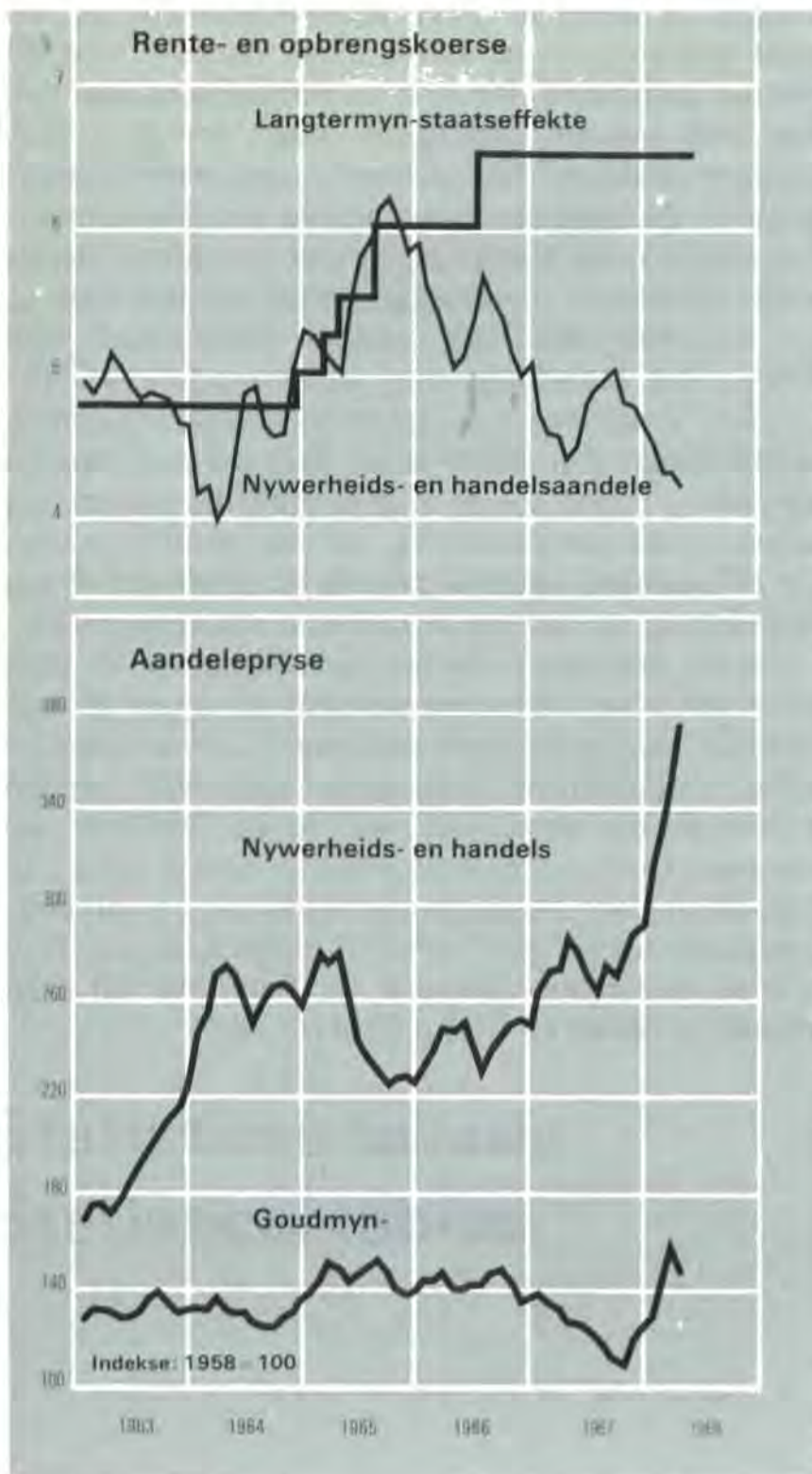
Kapitaalmark

Verwikkelinge op die Effektebeurs: aandelepryse en -opbrengskoerse

Die belangrikste kenmerk van die kapitaalmark gedurende die eerste vier maande van 1968 was 'n groot aanvraag na aandele. Die gemiddelde maandelikse omset op die Johannesburgse Effektebeurs het gedurende hierdie tydperk meer as verdubbel vergeleke met die gemiddelde maandelikse syfer vir 1967, en die pryse van byna alle klasse van aandele het tot nuwe rekordhoogtes in Maart gestyg. Gedurende April het die pryse van goudmyn- en finansiële mynaandele effens gedaal, maar dié van finansiële nywerheidsaandele en handels- en nywerheidsaandele het hulle sterk opwaartse beweging voortgesit. Tussen Oktober (die maand voor die devaluasie van sterling) en April het die prysindekse van sowel goudmyn- as nywerheids- en handelsaandele met ongeveer 34 persent toegeneem.

Die gevolg van hierdie prysstygings was dat

¹Gedurende April is meeste van die fondse wat deur die Staatskuldkommissarisie by die Nasionale Finansiële korporasie en die Reserwebank gehou is in werklikheid by die Skatkis belê en laasgenoemde se netto skuldposisie teenoor die banksektor het gevolglik aansienlik gedaal, naamlik met ongeveer R142 miljoen.



opbrengskoerse op aandele tot vlakke gedaal het wat nie alleen baie laag in verhouding tot vorige onder-vinding was nie, maar ook laag in verhouding tot die koerse op vaste-rentedraende effekte. Die ge-middelde opbrengskoers op nywerheids- en handels-aandele is byvoorbeeld tot 4.2 persent in April verminder, vergeleke met 4.8 persent in Oktober 1967, terwyl die gemiddelde opbrengskoers op goudmyn-aandele vanaf 11.4 persent in Oktober tot 6.8 persent in Maart 1968 gedaal het, voordat dit weer tot 7.3 persent in April gestyg het. Aangesien die opbrengs- en ander koerse op die meeste klasse van vaste-rentedraende beleggings gedurende hierdie tydperk min of meer onveranderd gebly het, het die omgekeerde rendementsgaping dienoooreenkomstig merkbaar vergroot.

Die toenemende neiging aan die kant van beleggers vanaf Oktober om voorkeur aan aandele en ander „groei“-beleggings bo vaste-rentedraende beleggings

te verleen, het oënskynlik nie in die eerste plek met nuwe inflasionistiese verwickelinge in die binnelandse volkshuishouding verband gehou nie—soos vroeër aangetoon is, het die oplewing van 1966/67 in totale monetêre vraag vanaf ongeveer die middel van 1967 gelyk begin verloop. Die vernaamste rede vir die oplewing op die Effektebeurs tussen Oktober en Maart moet gevolglik elders gesoek word, en is skynbaar geleë in die onsekerheid oor internasionale geldeenhede en die goudpryspekulasie wat op die devaluasie van sterling in November 1967 gevolg het en groter verwagtings van kapitaalwinste op Suid-Afrikaanse aandele laat ontstaan het.

Effektetrusts

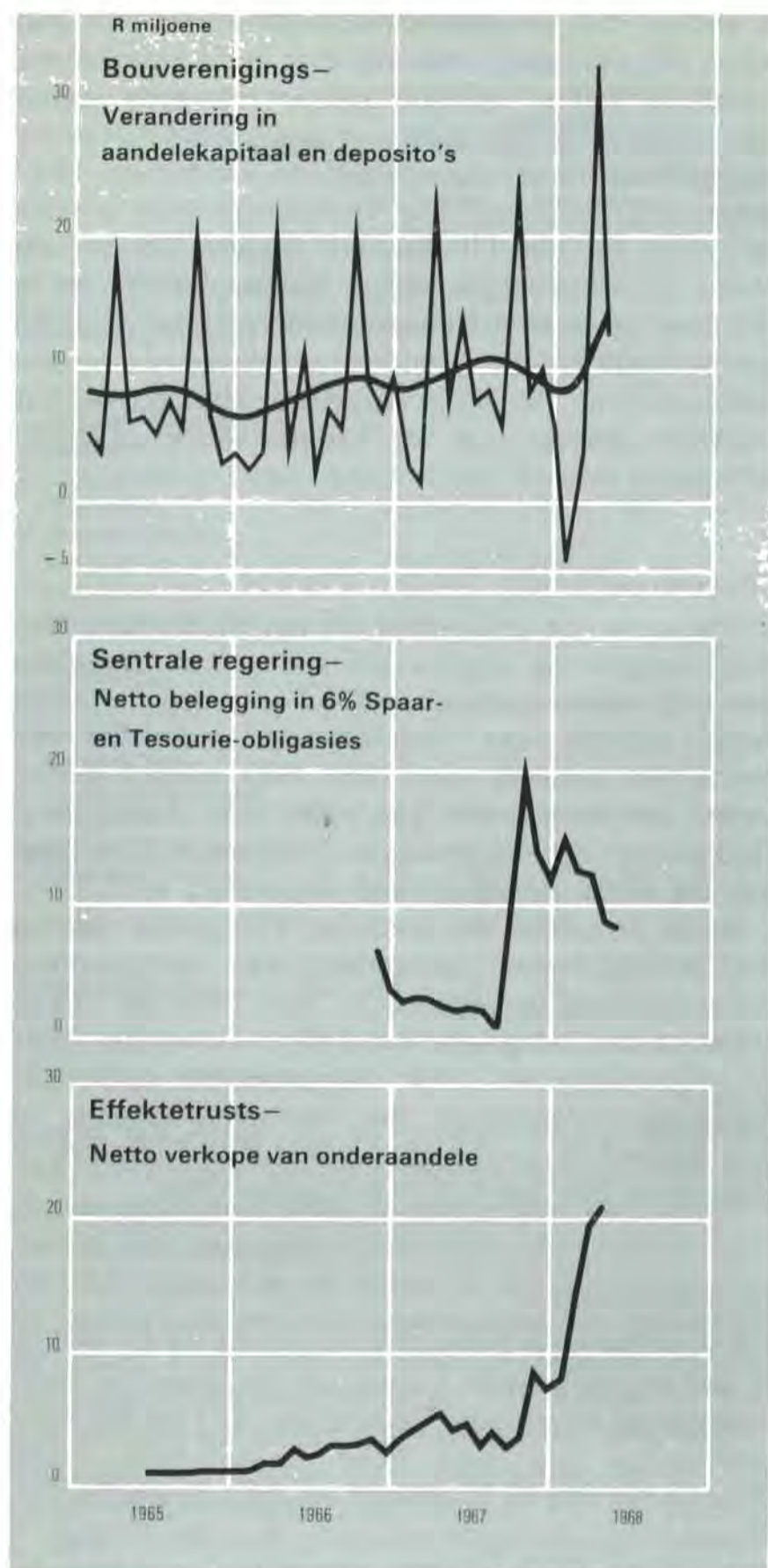
In die heersende omstandighede het effektetrusts teen 'n buitengewoon vinnige koers uitgebrei. Vergeleke met R49 miljoen gedurende 1967 as geheel, het hulle netto verkope van onderaandele gedurende die eerste vier maande van 1968 R60 miljoen bedra, terwyl die markwaarde van hulle netto bates vanaf R83 miljoen aan die einde van 1967 tot R174 miljoen aan die einde van April 1968 toegeneem het.

Nadat dit tussen Mei en Julie 1967 gedaal het, het die gekombineerde prysindeks van onderaandele weer opwaarts beweeg en in April 1968 op 175 te staan gekom, vergeleke met 140 in Desember 1967 en 118 in Desember 1966. Die gemiddelde opbrengs-koers op onderaandele het dienoooreenkomstig tot 2.5 persent in April gedaal teenoor 3.1 persent in Desember 1967 en 3.8 in Desember 1966.

Bouverenigings

Die verandering in batevoorkeur waarna hierbo verwys is, het begrypklarerwys geneig om die groei van bou-verenigings te vertraag. Gedurende 1967 het die bou-verenigings nog baie goed gevaar—hulle totale middele het met R110 miljoen oor die jaar toegeneem, terwyl hulle uitstaande verband- en ander lenings 'n styging van R135 miljoen getoon het, wat meer as dubbeld soveel as die toename van R63 miljoen gedurende die voorafgaande jaar was. Maar gedurende die eerste twee maande van 1968 het hulle meer as 'n seisoensdaling in hulle netto toevloeiing van fondse ondervind.

Ten einde die toestand te verlig, het die Minister van Finansies in Februarie sekere spesiale toegewings aan bouverenigings aangekondig, waaronder die reg om aan individue 'n spesiale soort permanente aan-deel uit te reik waarop die rente tot 'n maksimum van R400 per belastingbetaler per jaar belastingvry sal wees. Hierdie toegewings het 'n aansienlike uit-werking gehad en het, tesame met normale seisoens-invloede, meegewerk om 'n groot toename in die netto toevloeiing van fondse na die bouverenigings



gedurende Maart en April te bewerkstellig. So het hulle deposito's en aandelekapitaal, nadat dit met R3 miljoen gedurende Januarie en Februarie gedaal het, met R44 miljoen gedurende Maart en April toegeneem, waarvan R24 miljoen nuwe kontantbeleggings in die spesiale belastingvrye aandele verteenwoordig het—die totale bedrag wat gedurende hierdie twee maande in die laasgenoemde aandele belê is, het in werklikheid R101 miljoen bedra, maar R66 miljoen het omsettings van ander aandele en R11 miljoen omsettings van deposito's verteenwoordig. Hierbenewens het die Regering as 'n verdere spesiale toewysing 'n bedrag van R16 miljoen—by benadering gelykstaande aan die bedrag wat deur hom ingevolge die 100-persent-behuisingskema vir staatsamptenare gewaarborg is—aan die bouverenigings voorgeskiet.

Hierdie verwikkelinge het die verenigings in staat gestel om hulle uitstaande verband- en ander lenings met R27 miljoen en hulle besit aan likwiede bates en ander voorgeskrewe beleggings met R20 miljoen gedurende die eerste vier maande van 1968 te laat toeneem. Hulle groter leningsbedrywigheid word ook aangetoon deur die styging in hulle „nuwe verbandvoorskotte toegestaan” vanaf 'n gemiddelde van R19 miljoen gedurende Januarie en Februarie tot R29 miljoen in Maart en R34 miljoen in April.

Opmerkings oor tabelle

Die aandag word weer eens gevestig op die feit dat sommige van die syfers wat in die Kwartaalblad verskyn, een keer per jaar in die Junie-Kwartaalblad hersien word. Die belangrikste hersienings wat op hierdie uitgawe betrekking het, is die volgende:

1. Alle reekse waarvan die seisoensinvloed uitgeskakel is, is hersien, nie slegs om veranderende

seisoenspatrone in ag te neem nie maar ook as gevolg van hersiening van die basiese gegewens.

2. Die betalingsbalanssyfers vir die jaar 1967 sowel as die verspreiding daarvan oor die vier kwartale, is hersien.

3. Sommige van die 1967-syfers in die seksie oor Nasionale Rekening is hersien.