

ties remain fully conscious of the need to maintain a satisfactory rate of real economic growth in South Africa. This is one of the reasons why, as the Minister of Finance announced today, it has been decided to relax the Exchange Control restrictions on incoming funds in various ways and to improve the facilities for forward cover. Of particular importance to banking institutions is the decision to give sympathetic consideration to applications by authorised dealers in foreign exchange to raise funds abroad in their own name for the financing of South African foreign trade and for other approved purposes, and also to consider

favourably the provision of forward exchange cover in such cases.

The new measures taken together should therefore assist in providing adequate funds to South African enterprises, thus sustaining economic expansion, while at the same time helping to redress the balance between domestic and foreign financing of our expanding production and trade. In the final analysis, the curbing of inflation and the maintenance of a sound balance of payments position remain essential prerequisites for a sustained high rate of real economic growth.

Statement regarding new government stock issue

Issued by the Honourable Sen. O. P. F. Horwood, Minister of Finance

21 August 1975

The Government fully realises that in order to fight inflation effectively the State must finance its loan programme as far as possible out of current savings, i.e. in a non-inflationary manner. Because the State cannot rely to an increasing extent on banking institutions as a source of finance, it has been decided to make a public stock issue on 1 October 1975, for a period of 25 years and bearing interest at the rate of 10 per cent per annum. The issue will be placed at the disposal of investors by the South African Reserve Bank in amounts of not less than R100 000 from next Monday, 25 August, up to and including 30 September 1975. Apart from this issue, short and medium-term stocks will also be made available to the public on 1 October 1975, on which date two existing government stocks mature.

The interest rate on the long-term stock is the highest ever paid in South Africa on a government loan. The 25 year term, in particular, is suitable for institutions which mobilise the long-term savings of the public. Because these institutions have a vested interest in the fight against inflation, I wish to make a special appeal to them as well as other financial institutions to give generous support to the new public stock.

As part of the anti-inflationary drive, the Government is making every effort to economise on expenditure, wherever this is possible, and relies on the full co-operation of the provincial administrations, the local authorities, and other public bodies, to do likewise.

van die koers van uitbreiding van ekonomiese bedrywigheid in Suid-Afrika sedert die derde kwartaal van 1974, is daar vir die huidige geen aanduidings van oormatige vraag in die binnelandse volkshuishouding nie. Selfs afgesien van betalingsbalansoorwegings, moet die *potensieel* inflasionistiese uitwerking van enige oormatige toename in die binnelandse likwiditeit egter betyds by die bepaling van beleid in aanmerking geneem word.

By die neem van hierdie onderskeie maatreëls bly die monetêre owerhede ten volle bewus van die noodsaaklikheid om 'n bevredigende ekonomiese groeikoers in Suid-Afrika te handhaaf. Dit is een van die redes waarom daar, soos die Minister van Finansies vandag aangekondig het, besluit is om die valutabeheerbepelings op inkomende fondse op verskeie maniere te verslap en om die fasiliteite vir valutatermyndekking te verbeter. Van besondere

belang vir bankinstellings is die besluit om simpatieke oorweging te gee aan aansoeke deur gemagtigde handelaars in vreemde valuta om in hulle eie naam fondse in die buiteland op te neem vir die finansiering van Suid-Afrika se buitelandse handel en vir ander goedgekeurde doeleindes, asook om die voorsiening van valutatermyndekking in sodanige gevalle gunstig te oorweeg.

In geheel gesien behoort die nuwe maatreëls te help om voldoende fondse aan Suid-Afrikaanse ondernemings te verseker, en sodoende om ekonomiese uitbreiding vol te hou, terwyl dit terselfdertyd meehelp om die balans tussen binnelandse en buitelandse finansiering van ons toenemende produksie en handel te herstel. In die laaste instansie bly die beteueling van inflasie en die handhawing van 'n gesonde betalingsbalansposisie noodsaaklike voorvereistes vir volgehoue hoë reële ekonomiese groei.

Verklaring insake nuwe staatseffekte-uitgifte

Uitgereik deur Sy Edele sen. O. P. F. Horwood, Minister van Finansies

21 Augustus 1975

Die Regering besef terdeë dat om inflasie doeltreffend te beveg die Staat sy leningsprogram sover as moontlik uit lopende besparings, m.a.w. op 'n nie-inflasionistiese wyse, moet finansier. Omdat die Staat nie in toenemende mate op bankinstellings as 'n finansieringsbron kan steun nie, is daar gevolglik besluit om 'n openbare effektelening met 'n looptyd van 25 jaar op 1 Oktober 1975 uit te reik teen 'n rentekoers van 10 persent per jaar. Deur bemiddeling van die Suid-Afrikaanse Reserwebank sal hierdie uitgifte vanaf eerskomende Maandag, 25 Augustus, tot en met 30 September 1975 in minimum bedrae van R100 000 aan beleggers beskikbaar gestel word. Behalwe hierdie uitgifte sal daar ook kort- en mediumtermyn leningseffekte uitgereik word op 1 Oktober 1975, op welke datum twee bestaande staatslenings verval.

Die rentekoers op die langtermyn lening is die hoogste wat nog ooit vir 'n staatslening in Suid-Afrika aangebied is. Die 25-jaar termyn is veral geskik vir instellings wat met die langtermyn spaarfondse van die publiek werk. Omdat hierdie instellings 'n gevestigde belang het by die bestryding van inflasie, wil ek 'n ernstige beroep op hulle sowel as ander finansiële instellings doen om die nuwe staatslening ruimskoots te ondersteun.

As deel van sy anti-inflasionistiese veldtog, is die Regering besig om elke poging aan te wend om sover as moontlik op uitgawes te besuinig en hy maak staat op die heelhartige samewerking van die provinsiale administrasies, die plaaslike besture en ander openbare liggame om dieselfde te doen.