

**Statement issued by the President of the
Association of Building Societies,
Mr. J. L. S. Hefer**

15 September 1978

Rates of interest in South Africa have been falling for some time and easier liquidity conditions currently prevail in the economy. In line with the reduced general pattern of rates, the members of the Association of Building Societies have agreed to adopt the following rates of interest on *new monies*, with effect from 18 September 1978 in respect of fixed deposits, 25 September in respect of special savings accounts and 2 October in respect of *all* other investments:

Special savings accounts	7.0%
Homeowners' savings scheme (8% + 2%)	10.0%
Fixed deposits: 12 to 23 months	8.5%
Fixed deposits: 24 to 60 months	9.0%
Subscription shares	7.0%
Tax-free indefinite period shares	7.0%
Paid-up indefinite period shares	8.5%
Fixed period shares	9.0%

Similar adjustments are being made by the banking sector and to the rates applicable to the Post Office Savings Bank Certificates and the Government Treasury Bonds.

Concomitant adjustments will be made to the rates applicable to existing special savings accounts on 25 September, homeowners' savings scheme accounts on 1 October, and paid-up indefinite period shares on 1 November. There is no change to the present rate of 3.5% on ordinary savings accounts.

As far as mortgage rates are concerned, the rates on certain existing investments such as fixed deposits and fixed period shares, cannot be altered, and it will be some time therefore, before societies will benefit from the above rate reductions. The Association is, however, giving the matter very close attention at the present time, and intends indicating clearly at its Annual General Meeting on 26 September, when a cut in the present pattern of mortgage rates can be expected.