

reinforce its present restrictive monetary policy. In these circumstances, an increase in prime overdraft rates to a more market-related level would be both logical and in full conformity with current official policy.

The Reserve Bank and the clearing banks have also agreed that the rate charged by the banks for advances to the Land Bank will be increased from 13 to 14 per cent, with effect from the beginning of March. New arrangements for Land Bank financing will be negotiated with the banks before the end of June 1982.

In regard to the determination of bank overdraft and deposit rates under the new arrangements, agreement was reached between the Reserve Bank and the clearing banks that, as in the recent past, no constraints would be placed on any bank by the clearing banks' Register of Co-operation. Subject only to the *Ladofca* ceilings, each bank will be free to determine its own rates as it sees fit, in competition with other participants in the relevant financial markets.

The new prime rate arrangements constitute another step in the transition to more market-oriented methods of monetary policy. They also imply a further diminution of the role of Bank rate and its replacement by more modern central banking techniques of money market intervention. This development follows closely upon the decision taken by the Reserve Bank in December 1981 to permit the Treasury bill rate to rise above Bank rate — a step which presented no problems since Bank rate had in any event not been used for years for discounting Treasury bills or other money market paper. The most appropriate future role for Bank rate under South African conditions is at present being considered by the Commission of Inquiry into the Monetary System and Monetary Policy in South Africa, and further changes in this regard can be expected after the Commission's final report has been submitted.

Notes to tables

New table on national financial accounts for South Africa — Table S-54/55

National financial accounts for South Africa for calendar year 1980 are shown in table S-54/55. This table is a continuation of the national financial accounts for South Africa for the years 1970 to 1979 published in the *Supplement* to the *Quarterly Bulletin* of September 1981.

In future these accounts will be published on a regular basis and the accounts for a specific year will appear in the *Quarterly Bulletin* of December of the following year. As these accounts are subject to revision, revised estimates will also be published from time to time. National financial accounts on a quarterly basis are also planned and will be published in due course.