Popular Guide to

Decimal Coinage

in

SOUTH AFRICA

2/6 (25c)

Ook in Afrikaans
Verkrygbaar.

See Conversion Table on inside back cover

POPULAR GUIDE TO

DECIMAL COINAGE

IN SOUTH AFRICA

by

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Preface—

All of us know the meaning of £.s.d. We understand pounds, shillings and pence very well because we have grown up with them. These terms belong to the langua e of MONEY . . . and money is something that reaches deep into our minds because it measures what we earn and spend and what we own and owe.

Any change in our system of money is, of course, extremely important to us, and we should therefore, in our own interest, make some effort to gain a proper understanding of the basic consequences of the coming change-over to decimal coinage.

The purpose of this booklet is to reduce that effort to a minimum by explaining the important aspects of the change-over in simple language. It must be stressed, however, that the views expressed in it are solely my own and in no way whatever commit or bind either the Government or the Decimalization Board.

I should like to record my sincere thanks to Mr. E. G. Kemp, Secretary of the Decimalization Board, for valuable assistance received in the preparation of this booklet.

Barry Wiehahn

Pretoria.

June, 1960.

WHAT ARE DECIMALS?

Basically, decimals mean a system of counting and calculating in tens. The value of any figure in a particular position is exactly ten times greater than that of the same figure to the immediate **right** of it. So, for example, in 999 the **last** nine stands for 9 whole units, the **middle** nine for $10 \times 9 = 90$ whole units and the **first** nine for $10 \times 90 = 900$ whole units.

When a **decimal point** is introduced, the figures **to the right of that point** represent **fractions,** based on tenths, of one whole unit. Here, too, any such fractional figure has a value equal to ten times that of the same figure to the right of it. Alternatively—and this really means the same thing—one can say, that any such figure has a value equal to 1/10th of the same figure to the **left** of it. Thus, in 9.999, the **first** figure to the right of the decimal point stands for 9/10ths of one whole unit, the **second** figure for 9/100ths of that unit and the **third** figure for 9/1000ths of that unit. In other words, the first figure after the decimal point always means so many **tenths** of a whole unit, the second means so many **hundredths,** the third **thousandths,** the fourth **ten-thousandths,** and so on.

Any "0" appearing in amounts involving decimal fractions is very important. So, for instance, 8.07 means that there are 8 whole units, no tenths but 7 **hundredths** of one whole unit. If we had left out the "0", the amount would have become 8.7 and would have meant something quite different, namely, 8 whole units and 7 **tenths** of one whole unit. When the decimal point **is** moved **one** place to the left, the value of each figure and also that of the whole amount is reduced to one tenth of its previous value; and when the point is moved **one** place to the right, the value of each figure as well as that of the whole amount is increased to ten times its former value. So, for example, 246.8 is ten times greater than 24.68, while 24.68 is one-tenth of 246.8. Similarly, moving the decimal point **two** places to the left or the right as the case may be, either decreases the amount to one-**hundredth** of its previous value or increases the amount **one hundred** times, and so on.

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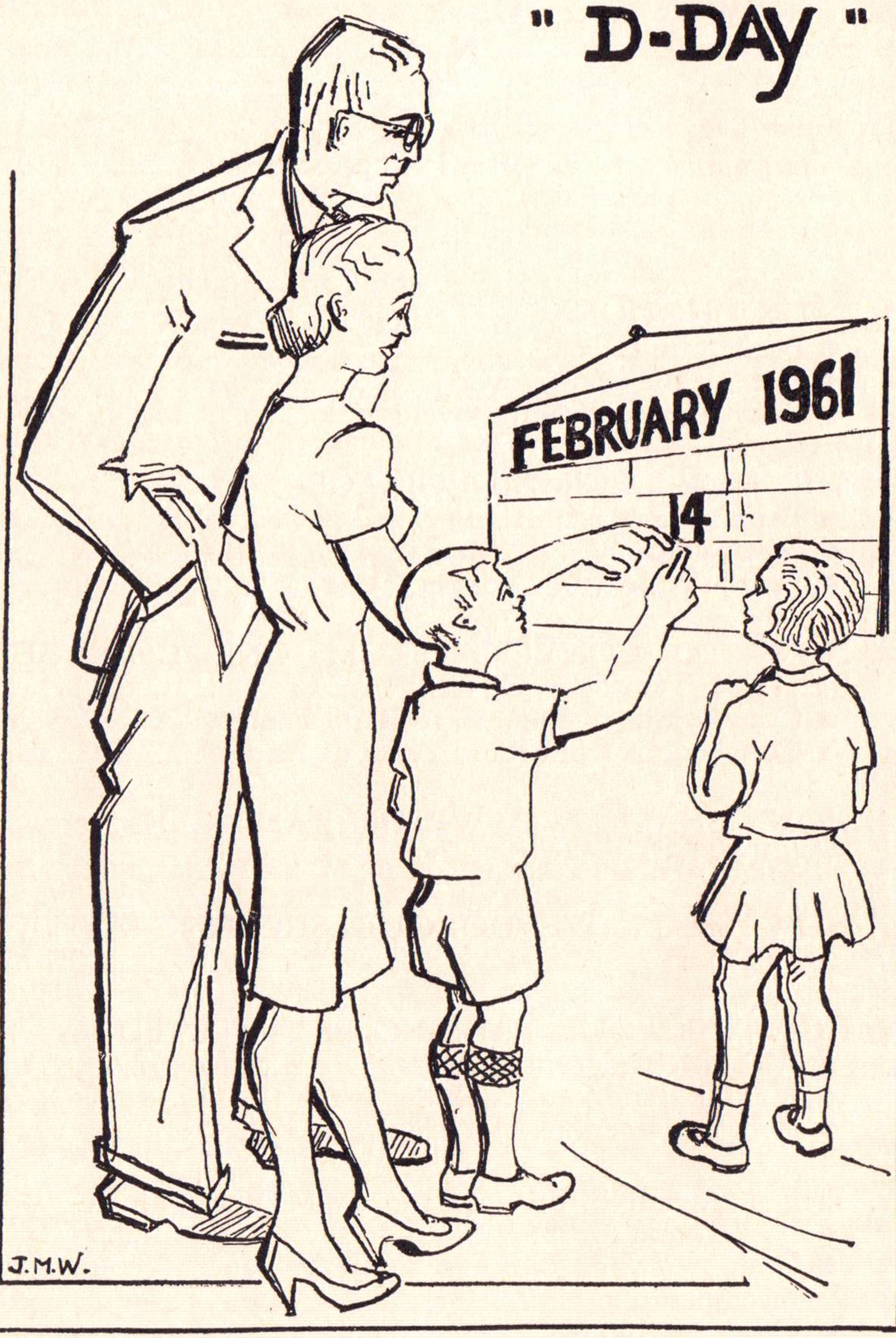
" D-DAy "



1. INTRODUCTION.

Background

After several important investigations into the subject of decimal coinage, the Government announced, on 11th December, 1958, that it had decided to place our money on a decimal basis. This important step was followed by Parliament passing the Decimal Coinage Act, Act No. 61 of 1959, in June, 1959. This Act provides for the new Rand/cent coinage and the appointment of a Decimalization Board* to plan and supervise the change-over from £.s.d. to Rand and cents in South Africa and South-West Africa.

In terms of the Act, the Rand will be equal to exactly 10 shillings and will be divided into 100 cents instead of the present 120 pence. The new cent, therefore, will be worth 12/10ths of our present penny and the penny 10/12ths of the new cent, while one shilling will be worth exactly 10 cents, the "sixpence" exactly 5 cents and the "tickey" exactly $2\frac{1}{2}$ cents.

Accordingly, as is again explained later, **ten** of the future new cent coins will be equivalent in value to exactly **twelve** of our present penny coins.

Date of the Change-over

Up to the night of Monday, 13th February, 1961, we shall have with us our £.s.d. system of money **exactly as we know it now.** As from the morning of Tuesday, 14th February, 1961, however, the new decimal Rand/cent system will, very actively, start to take over from pounds, shillings and pence. From the latter date both monetary systems will be in use side by side for about 15 to 20 months, i.e. until about the middle of the year 1962, when **all** prices, salaries, wages, tariffs, bookkeeping, etc., in the Union and South-West Africa should be **in Rand and cents only.**

The Act provides that any reference in any law, deed, instrument, security for money or other document or in any contract or agreement, whether in writing or not, or any reference in any other manner whatsoever, to an amount of money in £.s.d. shall be construed as including a reference to an equal amount of

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*The appointed Decimalization Board has its headquarters in Pretoria (P.O. Box 2241). Its members are Dr. E. H. D. Arndt (*Chairman*), Messrs. I. J. Greeff, G. M. Poole, W. E. Purvis, I. P. Strydom and Drs. F. J. van Biljon and A. J. Visser.

money in Rand and cents. For all practical purposes, therefore, **no-one can gain or lose because of the change-over to the new coinage.**

The date of the change-over, Tuesday, 14th February, 1961, will in what follows be referred to as "D-day", i.e., "Decimalisation" day.

Why a Gradual Change-over?

It may be asked: "If we are to adopt the new decimal Rand/cent system, why don't we change over **completely** on D-day? Why must 15 to 20 months elapse after D-day before we have completely switched over to the Rand/cent system?"

The reason is that by D-day the country will have about 140,000 monetary machines, such as cash registers, adding and accounting machines, petrol pumps, price computing scales, franking machines, etc., which work in £.s.d. but which **can** be mechanically changed ("converted") **to work in** Rand/cents. These machines, which are tremendously important to the business world, **cannot** all be converted in a matter of days or weeks. It will take the various office-machine companies, petrol companies, scale companies, etc., many months to fetch them from all parts of the country, dismantle them, fit new parts to make them work properly in the new decimal system, and then return them to their owners. In addition, there will be many thousands of machines which will be **too old** for conversion to Rand/cents and which will therefore have to be replaced by new decimal machines. All this requires organisation and time! That is why it will take 15 to 20 months before we shall have completed the switch to the new system of money.

2. THE NEW DECIMAL COINAGE.

The very first thing that should be clearly understood by us all is that the new Rand/cent system does **NOT** mean that we shall have to get used to completely new, strange bank notes and silver coins. On the contrary, **ALL** the bank notes and **ALL** the **silver** coins that we use today—from the "tickey" to the "crown"—will simply **remain** in circulation as legal money until they eventually become too worn for further use. **ALL** these bank notes and **silver** coins will have **EXACT** equivalent values in the new Rand/cent system of money. The only **entirely new** coins to which we shall have to become accustomed are the new BRONZE COINS, (the new "coppers"), i.e. the one cent piece and the half-cent piece which will be worth 1/5th (20%) **more** than our present penny and half-penny respectively. In addition, we shall see later that the appearance of all the future **new** silver coins will change somewhat when the new decimal system is introduced.

Although One-Rand and Two-Rand **gold** coins will be minted, we need not concern ourselves with these because they will not be used as ordinary money but be sold as collectors' pieces only.

Let us now take a closer look at our present bank notes, silver coins and bronze coins (the "coppers") in order to see exactly how they will fit into the new coinage system, and let us at the same time consider the small changes which there will be in the appearance of the new notes and coins.

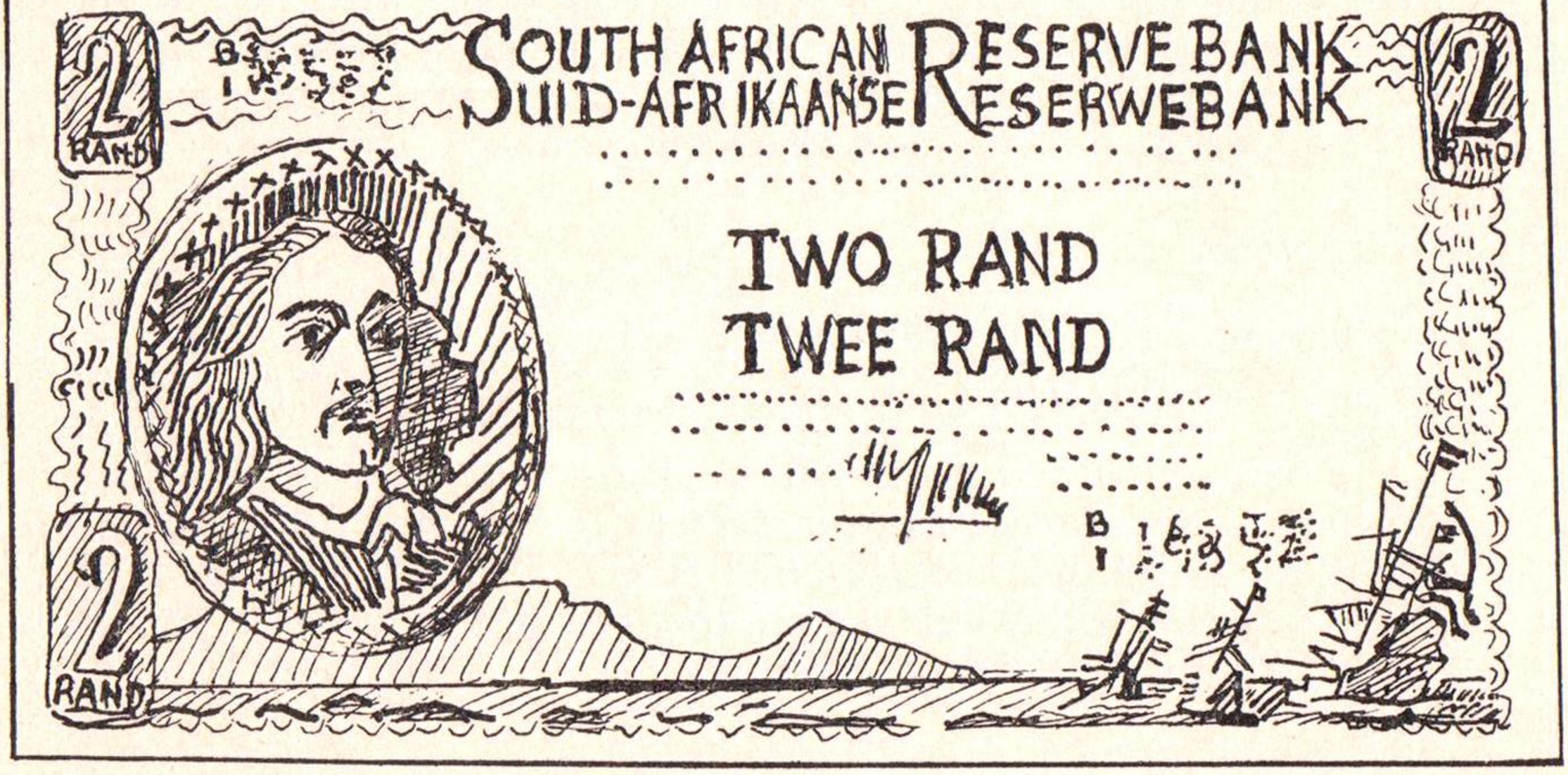
Bank Notes

The 10/- NOTE will be worth exactly ONE RAND
and be abbreviated as .....R1 or R1.00

The new One-Rand notes will in all respects look **exactly** like, and have the same size as, our present ten shilling notes, except that they will be marked "ONE RAND" instead of "Ten shillings". In the following sketch the One-Rand note is shown considerably smaller than actual size:

The £1 NOTE will, of course, be worth exactly TWO RAND
and be abbreviated as..... R2 or R2.00

The new Two-Rand notes will look **exactly** like, and have the same size as, our present one pound notes, except that they will be marked "TWO RAND" instead of "One Pound". In the following sketch the TWO-RAND note is shown considerably smaller than actual size:



In **exactly** the same way

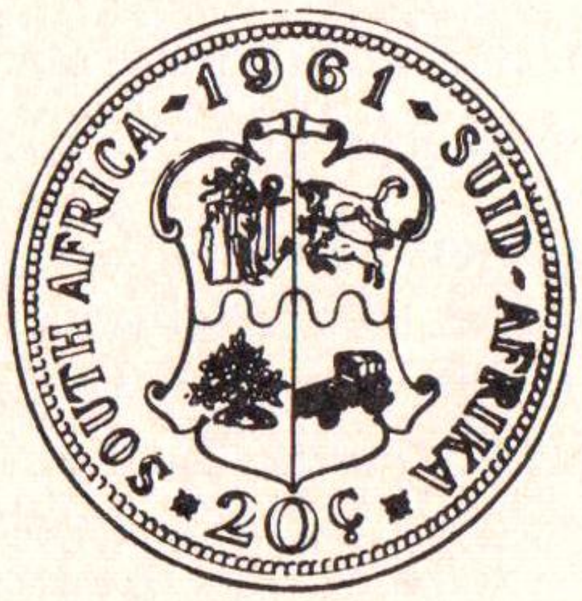
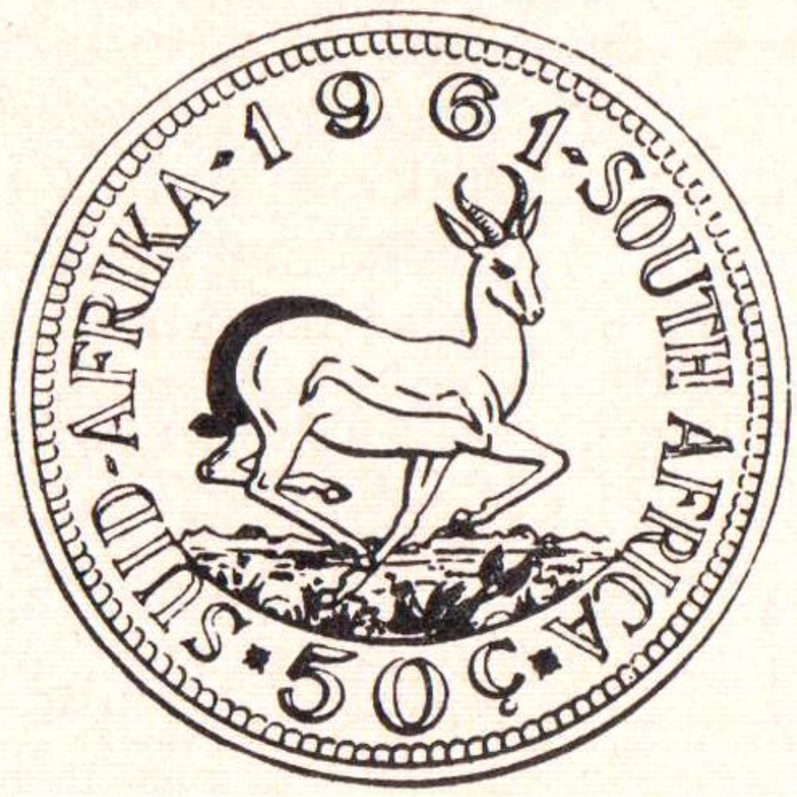
- the £5 NOTE will be worth TEN RAND and be abbreviated as R10 or R10.00; the only difference between the present £5 notes and the future R10 notes will be the value marking "TEN RAND" instead of "Five Pounds";
- the £10 NOTE will be worth TWENTY RAND (R20 or R20.00) and new notes will be marked accordingly. (The £100 note will become R200, but for the present it is not the intention to print R200 notes.)

All bank notes will therefore adopt a "new look" in so far as their value markings are concerned, but we must bear in mind that the **old** notes, with their old value markings, will retain their **full** value in the new Rand/cent system.

To convert round £'s to Rand we must therefore simply **multiply by 2**, so that, for example—

- a £12 suit of clothes will have the new price of (2 × 12) R24
- a £105 dining-room suite will be priced as (2 × 105) R210
- a £650 motor car will cost (2 × 650) R1,300
- a £3,500 house will have a value of (2 × 3500) R7,000
- a monthly salary of £65 will become (2 × 65)..... R130
- a weekly wage of £14 will become (2 × 14)..... R28

It is, however, only natural that all of us will, for quite a while, automatically want to **measure** amounts expressed in round Rand by **thinking** in terms of the £ in order to grasp the full

Coin		Value now written as	will be exactly	and WRITTEN as
"tickey"		3d or £0.0.3	2½ cents	2½c or R0.02½
"sixpence"		6d or £0.0.6	5 cents	5c or R0.05
"shilling"		1/- or £0.1.0	10 cents	10c or R0.10
"florin"		2/- or £0.2.0	20 cents	20c or R0.20
"crown"		5/- or £0.5.0	50 cents	50c or R0.50

The **obverse** side of **all** these coins will look like this:

The question may be asked: "What about the **half-crown**?" As it was felt that there is no need in a decimal coinage system for both a 20 cent (2/-) and a 25 cent (2/6) coin, the Government decided that the equivalent of half-crown pieces would no longer be minted. **Existing** half-crown pieces will, however, remain in circulation **indefinitely** and retain their **full** value of 25 cents in the new system of money.

In regard to the other silver coins, both old and new, all that we shall have to remember is their value in **cents.** But that is very easy if we simply remember that one shilling (1/-) is equal to 10 cents. Then the ¼ shilling or "tickey" must be worth 2½ cents; the ½ shilling or "sixpence" must be 5 cents; 2/- must be 20 cents; and so on.

Expressing the value of any of these silver coins as written decimal fractions of a Rand is therefore also no problem. Since 1/- (10c) will be equal to 1/10th of a Rand, any number of round shillings, up to 9 shillings, should always be written as the **first figure after the decimal point,** followed by an "0", because decimal fractions of a Rand should always be written to **two** decimal places, i.e. as two figures to the right of the decimal point. Thus—

1/- becomes R0.10
2/- becomes R0.20
5/- becomes R0.50

(The "0" before the decimal point clearly indicates that the amount is **less than R1.00**)

and the number of cents in each of the other silver coins will also simply be written as two decimal places of a Rand, so

3d becomes R0.02½

(Note that a fraction of a cent should be written like this and **not** as a decimal fraction).

6d becomes R0.05
2/6 becomes R0.25

Bronze Coins (the "coppers")

As has already been shown, the new decimal Rand/cent system does NOT mean a radical change in the bank notes or silver coins which we know and use today. **Any** bank note or silver coin owned today will retain its full value **indefinitely.** Let us therefore thoroughly understand that the new system of money does **not** mean a change of bank notes or silver coins. THE ONLY REAL CHANGE—AND THIS IS ALSO AN EASY ONE TO UNDERSTAND—WILL BE IN CONNECTION WITH OUR **BRONZE COINS** . . . OUR "COPPERS"!

As we all know, there are **12** of our bronze penny coins in one shilling; and we have seen that there will be **10** of the new cent coins in that same one shilling. Hence **one** cent will have a value equal to 12/10ths (6/5ths) of one penny, i.e. one and one-fifth of a penny. Alternatively one can say that a cent will be worth 1.2 penny. A penny will therefore be worth **less** than a cent—5/6ths of a cent to be exact!

We arrive at the same answer by remembering that—

—in 10/- (ONE RAND) there are.....120 pennies

—in 10/- (ONE RAND) there will be.....100 cents.

Hence:

a CENT will equal $\frac{120}{100}=\frac{12}{10}=\frac{6}{5}=1\frac{1}{5}$th PENNY and

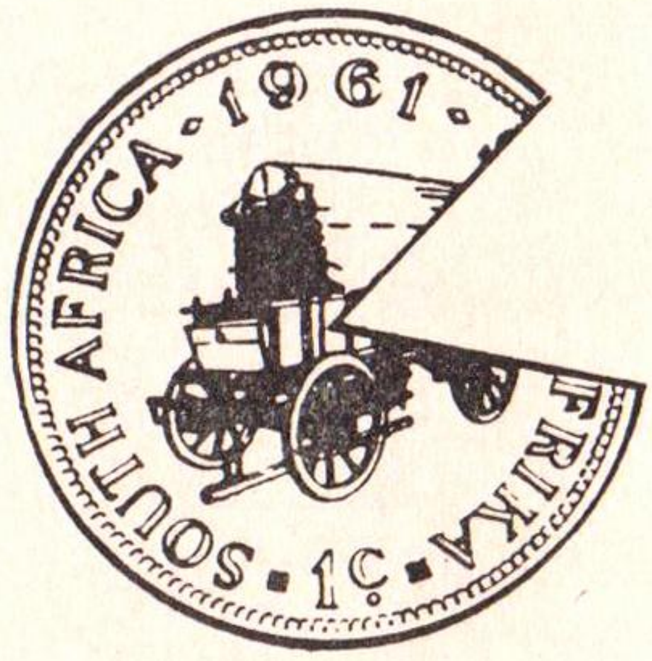
a PENNY will equal $\frac{100}{120}=\frac{10}{12}=\frac{5}{6}$th CENT.

The new one cent coin will be of the **same size, shape and weight** as the present penny, but it will have a **lighter colour (yellow bronze) and an entirely new design.** We can illustrate the differences in value and appearance between the present penny coin and the future one cent coin as follows:—

ONE PENNY

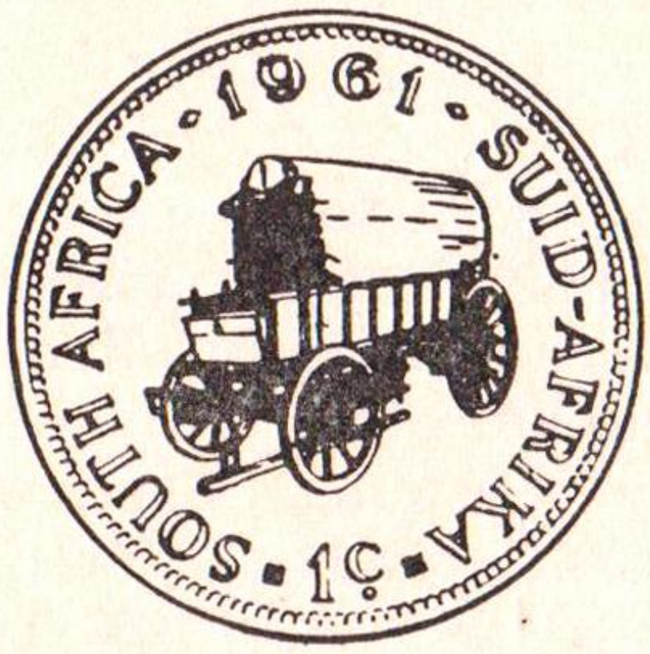
will be worth

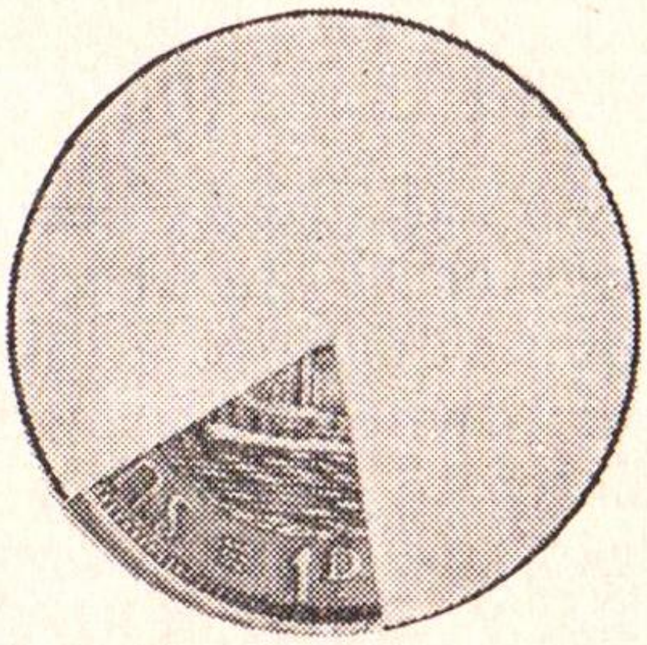
5/6ths of ONE CENT



ONE CENT

will be worth





$1\frac{1}{5}$th of ONE PENNY

In exactly the same way the present half-penny (½d) will be worth 5/6ths of the new half-cent (½c). Alternatively we can say (and mean the same thing) that the new half-cent will be worth 1⅕th of the present half-penny.

For all practical purposes we can completely disregard our present quarter-penny ("farthing") coins since **these will no longer be minted** and there will **not** be a quarter-cent coin.

All that we shall have to remember about the relative values of our present and our new "coppers" is therefore that **the future cent and half-cent coins will be worth ⅕th MORE than our present penny and half-penny coins, respectively.**

Another important aspect to be borne in mind is that **all** these "coppers" will, as from D-day, circulate side by side until about the middle of **1962.** After that, the existing penny, half-penny and "farthing" coins will be completely withdrawn or demonetized, and we shall then be left with only the new one cent and half-cent coins.

3. HOW TO CONVERT FROM ONE COINAGE SYSTEM TO THE OTHER.

We now know precisely what the bank notes and coins will be like under the new Rand/cent system. But it is also very important that we should be able to convert, freely and easily, any £.s.d. amount into Rand/cents and any Rand/cents amount into £.s.d.

Those of us who have, for instance, been to Lourenço Marques will know how one always has to remember that 1 Escudo is worth, in our own money, one "tickey" and that there are 4 "tickeys" in our shilling. If a meal or packet of cigarettes in that city costs, say, 12 Escudos, the price does not mean much to us. It is only after we have divided that amount by 4 and mentally registered "3/-" that we **really** know what the price is in so far as **we** are concerned.

In the same way, most of us will feel a sort of automatic need **after** D-day **to** convert Rand/cent amounts to £.s.d. **in our** minds in order to give them **full** meaning. The housewife who sees a tin of jam priced at 20 cents will say to herself "That means 2/-", and the man who sees a shirt advertised for R3.00 will inwardly say "That shirt costs 30/-". This state of affairs will continue until all of us **think** and **assess values** in terms of only the Rand/cent system.

Conversions from £.s.d. to Rand/cents

We know that ONE SHILLING will be equal to exactly 10 CENTS (R0.10). Therefore **any** £.s.d. amount of **rounded off** shillings can immediately be converted to **exact** Rand/cent equivalents. So, for example:

3/– will be equal to	.....	30 cents	.... or R0.30
4/– ,, ,, ,, ,,	.....	40 cents	.... or R0.40
6/– ,, ,, ,, ,,	.....	60 cents	.... or R0.60
7/– ,, ,, ,, ,,	.....	70 cents	.... or R0.70
10/– (One Rand) will be equal to	..	100 cents	.... or R1.00
15/– will be equal to	.....	150 cents	.... or R1.50
29/– ,, ,, ,, ,,	.....	290 cents	.... or R2.90
38/– ,, ,, ,, ,,	.....	380 cents	.... or R3.80

We also know, however, that a cent will be worth $\frac{1}{5}$th (20%) more than our present penny. This means in effect that our problem of converting from £.s.d. to Rand/cents is really confined only to amounts of **less than one shilling** (2d, 4d, 7d, 8d, **etc.**) or larger amounts which **include pence** (3/2, 4/4, 6/7, 29/8, etc.). The shillings present no problem. We have to concentrate mainly on the conversion of **pence to cents and cents to pence.**

Let us carefully consider the following conversion table which gives us pence-cents equivalents and also shows the tiny differences that we would gain or lose if we paid the **cent** equivalents given in this table:

Amount in Pence	Equivalent in Cents	Exact value of the cents (in pence)	We would— gain	lose
1	1	1.2d	—	0.2d
2	2	2.4d	—	0.4d
3	**2½**	3d	—	—
4	3	3.6d	0.4d	—
5	4	4.8d	0.2d	—
6	**5**	6d	—	—
7	6	7.2d	—	0.2 d
8	7	8.4d	—	0.4 d
9	**7½**	9d	—	—
10	8	9.6d	0.4d	—
11	9	10.8d	0.2d	—
12	**10**	12d	—	—
			1.2d	1.2 d

From the foregoing we can see that in respect of 12 possible amounts of up to 1 shilling, we would gain a little in 4 cases, lose a little in 4 cases and be exactly "even" in 4 cases (shown in heavy print), namely at a "tickey", "sixpence", "ninepence" and one shilling.

For all practical purposes, the **first two columns** of the above table are all that we need to remember. Let us repeat them and call them the "Popular Conversion Table". **Exact** equivalents are marked***:

POPULAR CONVERSION TABLE	Pence	CENTS
	1	1
	2	2
	3	2½***
	4	3
	5	4
	6	5***
	7	6
	8	7
	9	7½***
	10	8
	11	9
	12	10***

We should in our own interest thoroughly MEMORISE this popular conversion table. This is really very simple. At 3d, 6d, 9d, and 12d the equivalents are **exactly** 2½, 5, 7½, and 10, respectively; at 1d and 2d we remain with the figures 1 and 2; at 4d, 5d, 7d and 8d, we reduce by **one** to the figures, 3, 4, 6 and 7, respectively, and for 10d and 11d we reduce by **two** to the figures 8 and 9, respectively.

Once we have memorised this table, the conversion of **any** £.s.d. amount to Rand/cents becomes very easy—if we ignore the tiny pence-cent differences that have been shown above.

The easy way to convert

Think of the £.s.d. amount as shillings/pence, e.g. 1/1d, 2/3d, 3/5d, 4/6d, 18/7d, etc. Then convert **only the pence** according to the table, **remove the oblique stroke, and place a decimal point before (to the left of) the shillings figure.** So, for example:

1/1d	becomes	1/1c = .11	i.e. 11	cents or R0.11
2/3d	,,	2/2½c = .22½	i.e. 22½	,, or R0.22½
3/5d	,,	3/4c = .34	i.e. 34	,, or R0.34
4/6d	,,	4/5c = .45	i.e. 45	,, or R0.45
18/7d	,,	18/6c = 1.86	i.e. R1.86	
19/9d	,,	19/7½c = 1.97½	i.e. R1.97½	
19/10d	,,	19/8c = 1.98	i.e. R1.98	

and with amounts **above** £1 **exactly** the same applies—

£1. 6. 2.	(26/2)	becomes	26/2c	i.e. R2.62
£2. 13. 4.	(53/4)	,,	53/3c	i.e. R5.33
£3. 16. 8.	(76/8)	,,	76/7c	i.e. R7.67
£5. 6.11.	(106/11)	,,	106/9c	i.e. R10.69

Do you see how very easy these conversions really are? At first we may require paper and pencil to do them, but very soon we shall do them mentally, and soon after that they will become almost second nature. All that we need is a little practice. A good way of obtaining this practice is to make a habit, and in the case of children a "game", of converting £.s.d. prices seen in shops, newspapers, etc., to Rand/cents.

Conversions from Rand/cents to £.s.d.

These conversions are just as easy as those already discussed, because we have only to **reverse** the procedure.

Here, therefore, we simply remove the decimal point, place an oblique stroke before the last figure (the **cents**, including possible fractions) and convert only those cents to pence equivalents according to the table.

Let us go back to the previous examples:

11 cents (R0.11)	becomes..	1/1c ....or	1/1d
22½ cents (R0.22½)	,, ..	2/2½c....or	2/3d
34 cents (R0.34)	,, ..	3/4c ....or	3/5d
45 cents (R0.45)	,, ..	4/5c ....or	4/6d
R1.86	,, ..	18/6c ....or	18/7d
R1.97½	,, ..	19/7½c....or	19/9d
R1.98	,, ..	19/8c ....or	19/10d
R2.62	,, ..	26/2c ....or	26/2d (£1. 6. 2.)
R5.33	,, ..	53/3c ....or	53/4d (£2. 13. 4.)
R7.67	,, ..	76/7c ....or	76/8d (£3. 16. 8.)
R10.69	,,	..106/9c ....or	106/11d(£5. 6. 11.)

After a little concentration it will be seen that these conversions also present no real problem. With a little practice we shall soon do them very quickly.

4. HOW SHALL WE WRITE RAND/CENT AMOUNTS?

This question has to some extent already been answered by the way Rand and cents have been written in this booklet. We can, however, repeat certain points and add a few new ones as follows:

- The Decimal Coinage Act provides that the symbol for "Rand" shall be a capital "R" and for "cent" a small "c", without a full-stop, in the singular or plural, in **either** English **or** Afrikaans.
- According to the Act, the plural for "Rand" remains "Rand" and the plural for "cent" becomes "cent**s**". In Afrikaans, the plural of "Rand" remains "Rand" (not "Rande") and the plural of "sent" is "sent" (not "sente").

- Amounts which do not include cents should normally be written simply as so many Rand, e.g. R234; but, if such an amount is added to other amounts which **do** include cents, it will be desirable to add ".00" as shown below:

R234.00
16.75

R250.75

- Amounts **less** than one Rand should be written either as so many cents, e.g. 18 cents or 18c, or as R0.18.

- When the decimal point is used, it should preferably be on the bottom line, e.g. R2.70, and **not** higher up as in R2·70.

- Since the Rand is divided into 100 cents, the new system is a **two**-decimal system, with the two figures to the right of the decimal point indicating the number of cents. As a rule, **fractions** of a cent should be written as **ordinary** fractions, **i.e. not** as decimal fractions. So, for instance, the "tickey" becomes R0.02½ and nine-pence becomes R0.07½ (**not** R0.025 or R0.075, respectively). In money calculations there can, of course, be no objection to working to 3, 4 or more decimal places of a Rand or even a cent. It is also to be expected that certain rates, bulk prices, etc., will include decimal fractions of a **cent.**

- Where price tickets, advertisements, etc., are concerned, it will be quite in order to write Rand/cents somewhat differently. So, for instance, R3.55 could become:
R3.**55** .... with the cents in smaller figures, or
R3 **55** .... with no decimal point and the smaller cents raised and underlined.

- In using vertical lines for money columns, we shall need only **two** columns for Rand and cents instead of three, as for £.s.d. This will apply to **all** accounting books and records such as invoices, receipts, deposit and withdrawal slips, and so on. Note that the **vertical line between the two columns will take the place of the decimal point between Rand and cents,** as shown below:

The NEW columns		The old columns		
R3	62	£1	16	2
	72½		7	3
4	53	2	5	4
2	87½	1	8	9
R11	75	£5	17	6

- In our present system columns of figures are sometimes headed by the symbols "£.s.d.". If similar headings are wanted after D-day, the Rand/cent columns can simply be headed by an "R" and a "c", as follows:

R	c
2	62
4	53
7	15

- How will cheques be written? This matter is discussed under heading 6, i.e. "How will our banking be affected?"

5. HOW SHALL WE DO OUR SHOPPING AFTER D-DAY?

Most shops will in all probability begin to show their prices in both £.s.d. **and** Rand/cents even before D-day and continue to do so until some time after D-day. The important thing to remember, however, **is that all** our present bank notes and **all** our present silver coins, from the "tickey" up to the crown, as well as **all** the new, almost identical, notes and silver coins that will come into use, will have exact equivalents in EITHER £.s.d. **OR** Rand/cents. It will therefore not matter at all whether we are asked to pay in £.s.d. or in Rand/cents, provided we have **bank notes** or enough **silver** coins to pay for a purchase.

The **only** difficulty that can possibly arise in a shop will be experienced when we do **not** have a bank note or enough silver coins with us and we consequently **have** to use "coppers"—penny or cent coins—in order to effect payment. But even in that case the difficulty can arise only if, for instance, we happen to be carrying loose **cent** coins and the shop does its business in £.s.d. because its cash registers have not yet been converted to Rand/cents. It can also happen that we may be carrying loose **penny** coins and that the shop, because it is already working in Rand/cents, prefers to receive only **cent** coins in order to avoid any argument about payments made.

In actual practice, the general public and the shopkeepers of South Africa will most probably often simply ignore the very small difference of $\frac{1}{5}$th of a penny between the **single** penny coin and the **single** cent coin. If minor arguments about these single coins should arise when one party pays the other, it must always be borne in mind that 3 single penny coins **or** $2\frac{1}{2}$ cents (2 single cent coins and a single $\frac{1}{2}$ cent coin) can be exchanged at any bank, and probably in the shop itself, for a "tickey". Since the "tickey" will be worth **either** 3 pence **or** $2\frac{1}{2}$ cents, it can be used to effect payment in cases where prices include **either** penny **or** cent amounts.

6. HOW WILL OUR BANKING BE AFFECTED?

All the banks, throughout the Union and South West Africa, will work **in** £.s.d. up to the afternoon of Friday, 10th February, 1961, but on the morning of D-day, **i.e.** Tuesday, 14th February, 1961, they will start working **in Rand and cents only.**

To perform this tremendous task, the banks will be closed for normal business on Saturday, 11th February, and on Monday, 13th February, 1961. They will, however, accept deposits of cash (written as Rand/cents) on those days from customers who would rather not keep large amounts of money on their own premises. Only bank notes, silver coins in sums of full Rand, and bronze coins in sums of full Rand, may be deposited on that Saturday and Monday, **provided that such deposits are dated 14th February, 1961.** Cheques should **not** be deposited until Tuesday (D-day). Before any cheques expressed **in** £.s.d., which may be **in** the hands of depositors on or after D-day, are deposited, they should be converted to Rand/cents by the depositor before they are paid **into** the bank.

If you have a bank account, please help the banks by writing out **as few cheques as possible** during the week or so before D-day. Also remember at that time—

- that cheques which are dated up to Friday, 10th February, 1961, should be **in** £.s.d. as at present;
- that it would be helpful to the banks **if** cheques which are dated **11th, 12th or 13th February, 1961,** are made out **in** Rand/cents; and
- that **all** cheques which are dated **from 14th February, 1961, onwards** MUST be made out **in** Rand/cents.

Writing Rand/cent cheques

As **is** necessary today, the amounts on Rand/cent cheques should also be written **in** figures **and** words.

The figures:

When cheques are **hand-written**, the decimal point should be replaced by **a** short, horizontal stroke, e.g., R5–40, R3–20, etc. Where the amount **is** for **less** than **a** Rand, place an "0" **after** the Rand sign and before the short horizontal stroke, e.g. R0–75, R0–90, **etc.** If the cheque **is** for **Rand only**, without cents, place "–00" after the amount, e.g., R12–00. Alternatively, draw **a** long horizontal stroke **immediately** after the Rand amount, e.g. R12———.

In due course, when the existing stocks of cheque forms have been depleted, we shall have to write only the figures, because the "R" **will** be printed on the new cheque forms **in** the same way

as the "£" sign is printed on cheque forms today. In the meantime, from D-day, when using cheque forms with the £ sign printed in, remember to delete this and substitute the R sign. This alteration will **not** call for an authenticating signature by the drawer.

The words:

The banks will prefer the **whole** amount of a cheque, including the cents, to be written out fully in words, e.g.—

R 0.90 would be .. "Ninety cents"
R10.75 would be .. "Ten rand, seventy-five cents"
R23.02 would be .. "Twenty-three rand and two cents".

It will, of course, **always** be necessary to write out the number of Rand in full. In so far as the cents alone are concerned, however, a clear abbreviation will no doubt also be accepted by the banks. So for example,

R 9.04 could be written as "Nine rand 4c",
R10.75 could be written as "Ten and 75/100 rand"
and
R23.02 could be written as "Twenty-three and 2/100 rand".

Making Rand/cent bank deposits

As from D-day the banks will work **only** in Rand/cents. Hence **all** deposit slips will from that day onwards also have to be written out in the new system. This will not be difficult because, as we have already seen, **all** our present bank notes and silver coins will have **exact** equivalents in Rand and cents, respectively.

In depositing our present **penny** coins we shall, however, have to remember that for every **six** of them the bank will credit us with **five** cents. To avoid the small value differences between pennies and cents, **loose** penny coins should always be banked in multiples of **six**, i.e. 6, 12, 18, etc., at a time, so that an exact credit of, respectively, 5 cents, 10 cents, 15 cents, etc., can be given by the bank. It follows, therefore, that only the value in **cents** of such deposits of loose pennies should be shown on the deposit slip.

Avoiding fractions of a cent

As we all know, the banks today do their business and keep their books **in round pennies only.** If an amount of, say, £2.10.4½ is deposited or appears on a cheque today, the bank will simply ignore the half-penny and record £2.10.4 in its books.

From D-day onwards the banks will, in exactly the same way, work **in round cents only.** We must therefore bear in mind in the first place that amounts on cheques should **never** include fractions of a cent and, in the second place, that a deposit of cash should **never** add up to an amount which includes a half-cent (e.g. R8.17½). In the case of "tickey" coins (2½ cents) we

should accordingly make a point of banking them in multiples of **two** at a time, i.e. 2, 4, 6, 8, etc., so that the banks can give credit for round multiples of 5 cents.

7. THE MACHINE PROBLEM: COMPENSATION

Background

By far the most difficult problem in connection with the change-over to decimal currency is the "conversion" or replacement of the monetary machines at present in use. It should be borne in mind that in South Africa there are more than 170,000 such machines, worth many millions of pounds, which cannot work in Rand/cents because they were specially made to add, subtract and record in £.s.d. Fortunately the vast majority of these cash registers, accounting and adding machines, petrol pumps, etc., can be mechanically changed, i.e. "converted", to work in Rand/cents. Even so, this means that every single one of them will have to be fetched, moved, dismantled, cleaned and carefully equipped with new decimal parts; it will then have to be thoroughly tested, returned to its owner and eventually, as a Rand/cent machine, re-installed where it originally served as a £.s.d. machine. The cost of doing all this will be high. Another consideration is that those machines which are too old for successful conversion will, of course, have to be replaced by new or used decimal machines from overseas.

The Government realises that a hardship would be created for shopkeepers and other owners of monetary machines if they themselves have to bear the costs of converting, or the full costs of replacing, their machines. For this reason, the Decimal Coinage Act authorises the Government, through the Decimalization Board, to bear a large proportion of these costs. As has already been announced, the Board will, to this end, make two types of compensation payments. It will in the first place pay **conversion compensation** to cover the cost of mechanically changing those machines which are considered to be worth converting, because they fall within certain defined age limits. In the second place, again within fixed age limits, the Board will pay **replacement compensation** in cash in respect of machines which are regarded as too old for satisfactory conversion but which have nevertheless not been in use for the full period of their respective average normal lives.

Thus the **age** of a machine, and **only** its age, will determine

(*a*) whether it will be converted at the expense of the Board; or

(*b*) whether replacement compensation will be paid in respect of it; or

(*c*) whether it is too old for either type of compensation.

The reason for basing compensation on age will readily be realised when it is borne in mind that most of these machines are of intricate construction with thousands of moving parts. In course of time these parts gradually wear to a point where it would be very difficult and too expensive to get them to work efficiently with the new decimal parts that would have to be fitted to convert them from £.s.d. to Rand/cents.

Cash Registers, Adding Machines and Accounting Machines

In the case of cash registers, adding machines and accounting machines it has been announced that these will be deemed to have an average normal life of 20 years, 15 years and 10 years, respectively. **Within** these age limits every machine will, depending on its age, be regarded as either "convertible" or "compensatable" at the expense of the Board. **Beyond** these age limits, no compensation will be paid by the Board, even if the owner considers that his machine is still in good condition.

To simplify the age calculations that will be necessary, it has been decided that they will **all** be made to 1st January, 1961, i.e. a date about six weeks before D-day (14th February, 1961). We therefore have to go **back** either 20, 15 or 10 years, as the case may be, to 1.1.1941, 1.1.1946 and 1.1.1951, respectively, in order to determine whether or not a particular machine can be considered for compensation. Thus, if a cash register was originally bought, as a **new** machine, **after** 1.1.1941, we know that it will be eligible for compensation. Similarly, an adding machine will be eligible for compensation if it was, as a **new** machine, bought **after** 1.1.1946, and an accounting machine after 1.1.1951.

Whether any such machine which **falls within these age limits** is to be converted at the Board's expense or whether its owner is to receive replacement compensation will again depend upon exactly **when** that machine was originally bought as a new machine. The following table sets out the official position in this regard and summarises what has been said above:

	Official average normal life	*"Convertible" if bought, as a new machine,* AFTER:	*"Compensatable" if bought, as a new machine,* BETWEEN:
Cash Registers	20 years	1.1.1946	1.1.1941 and 31.12.1945
Adding Machines . . . . (including £.s.d. calculating machines)	15 years	1.1.1951	1.1.1946 and 31.12.1950
Accounting Machines . .	10 years	1.1.1953	1.1.1951 and 31.12.1952

If a machine is "convertible" as indicated above, and if it was properly registered by 30th November, 1959, according to the relevant official regulations, the Decimalization Board will, in collaboration with the machine company concerned, make arrangements for its conversion. These arrangements will include the provision of a temporary substitute machine ("loan machine") from the time that the "convertible" machine is removed for transportation to the conversion workshop until it is returned, as a converted machine, to its owner. Payment for such conversion work and for the provision of loan machines will be made by the Board **direct to the machine companies** performing these services. There are, in respect of "convertible" machines, a few further important points to be noted. They are—

- That a cash register which is in fact an adding machine fitted on a money drawer, will be treated by the Board as an **adding machine.**
- That the conversion of £.s.d. calculating machines will be confined to those with **eight or fewer** vertical rows of £ keys. (Those with nine or more such rows have such a high decimal capacity that their conversion is not thought to be warranted.)
- That no conversion compensation will be paid by the Board in any instance where the costs involved are estimated to be less than £7.10.0 per machine, as, for example, in the case of miniature adding aids.
- That, for numerous practical reasons, the owner of an officially "convertible" machine will **not** have the choice between having it converted or receiving some form of cash compensation.

As regards "compensatable" machines which fall within the age limits shown above and which were properly registered by 30th November, 1959, the Board will in due course make cash replacement compensation payments **direct to the owners concerned.** The amounts of compensation will be individually calculated for each such machine according to an officially approved formula. This formula, which takes into account such factors as the age of the machine, its original price, its remaining life and so on, is intended to provide a reasonable estimate of the loss of machine value which an owner will suffer as a result of decimalisation. It should also be mentioned that "compensatable" machines will remain the property of their owners after replacement compensation has been paid.

Other Machines

Apart from the types of machines referred to above, the Decimalization Board will, also within certain age limits which need not be explained here, arrange for, and bear the costs of,

the conversion of £.s.d. price-computing scales, electric petrol pumps, punched-card tabulators, franking machines, cheque-writing machines, ticket-issuing machines and measuregraphs.

Other Costs of Decimalisation

Apart from the costs involved in the conversion or replacement of machines, it is obvious that South Africa's commerce, industry, financial institutions, government departments, etc., will in many cases have to face several other items of expenditure as a result of the change to Rand/cents. Many people will, for example, have to work overtime in order to convert accounting books and records; shops, restaurants and hotels will have to change their price tickets, labels, menus or placards; new books of account, invoices, statements, receipt books, price lists, catalogues, etc., will have to be printed; and many other similar things which cost money will have to be done.

Since the Government announced as long ago as 11th December, 1958, that it intended to decimalise our coinage, and since a reasonable period was consequently afforded for everyone concerned to think about, and plan for, the change-over on 14th February, 1961, many of these extra costs should be very low. In any event, there will be no government compensation for these extra expenses, in the first place because it would be wholly **impossible** to measure the **true** extent of such extra costs for everyone in the country and, in the second, because the numerous advantages of the Rand/cent coinage system will in the long run more than compensate for such extra costs.

8. WHY THE COMING CHANGE TO DECIMAL COINAGE?

There are many benefits to be derived from a decimal monetary system for the simple reason that it is much **easier** to use in keeping books and records, and in doing money calculations. This will obviously be of **immense** value to commerce, industry and the country as a whole for all the years ahead.

Let us take only a few simple examples to illustrate how easy calculations in Rand and cents will be in comparison with £.s.d. calculations.

Just compare:

2 items @ 1/7d	= 3/2d	with 2 @ 16c =	32c
3 items @ 2/5d	= 7/3d	with 3 @ 24c =	72c
4 items @ 3/6d	= 14/-	with 4 @ 35c =	R1.40
and the addition	£1.4.5d	with	R2.44

In the £.s.d. calculations we first have to find the number of pence, next we have to divide by 12 to obtain the remaining pence and then carry the whole shillings over, and finally we have to divide the whole shillings by 20 in order to find the whole number of pounds. On the other hand, the Rand/cent calculations are straight multiplications and an addition in tens.

- Also compare these simple interest or discount calculations in the two systems:
  6% of £13.10.0 = 16/2 .. 6% of R27 = R1.62.

To arrive at the first answer, i.e. 16/2, we can adopt one of several mathematical methods. But even the easiest method, i.e., decimalising the £13.10.0 to £13.5, multiplying it by .06 and then reconverting the product to shillings and pence, can hardly be called easy. But look at 6% of R27. The answer (6×27 divided by 100 = R1.62) is a straight multiplication, with the decimal point in the correct place.

We see, therefore, that decimal coinage will mean fewer and easier steps in all money calculations. Its use will, for instance, result in the more rapid and accurate writing out of hundreds of thousands of invoices every day, and the simplification not only of interest calculations on many millions of loan, savings and other accounts but also of all accounting, stock, wage and other records. Furthermore—and this is very important—much of the work performed mentally and by hand today, can, with a system of decimal coinage, be done by means of machines. Machines cannot directly multiply or divide in £.s.d. but they can do so in decimals.

All this will mean far greater convenience and an enormous saving of man-hours—a saving which will amount to many millions of pounds in course of time.

In conclusion, brief mention may also be made of a few other advantages of the Rand/cent system:

- A greater variety of business machines will be available to the country at, on the whole, lower prices than comparable £.s.d. machines.
- The schools will spend much less time on teaching children money calculations; the time so saved can then be spent on other important subjects.
- The whole population, especially housewives, will soon find Rand/cents much easier to work with than £.s.d., and the checking of invoices and monthly household accounts will also be far simpler than it is today.
- Records relating to our trade with overseas countries will be greatly simplified.
- Immigrants and visitors from "decimal" countries will find Rand/cents much easier to understand than £.s.d.

POPULAR CONVERSION TABLE

(From one penny to 10/–; the ≡ between amounts means **exact** equivalents)

1d	1c	2/7	26c	5/1	51c	7/7	76c
2d	2c	2/8	27c	5/2	52c	7/8	77c
3d ≡	2½c	2/9 ≡	27½c	5/3 ≡	52½c	7/9 ≡	77½c
4d	3c	2/10	28c	5/4	53c	7/10	78c
5d	4c	2/11	29c	5/5	54c	7/11	79c
6d ≡	5c	3/– ≡	30c	5/6 ≡	55c	8/– ≡	80c
7d	6c	3/1	31c	5/7	56c	8/1	81c
8d	7c	3/2	32c	5/8	57c	8/2	82c
9d ≡	7½c	3/3 ≡	32½c	5/9 ≡	57½c	8/3 ≡	82½c
10d	8c	3/4	33c	5/10	58c	8/4	83c
11d	9c	3/5	34c	5/11	59c	8/5	84c
1/– ≡	10c	3/6 ≡	35c	6/– ≡	60c	8/6 ≡	85c
1/1	11c	3/7	36c	6/1	61c	8/7	86c
1/2	12c	3/8	37c	6/2	62c	8/8	87c
1/3 ≡	12½c	3/9 ≡	37½c	6/3 ≡	62½c	8/9 ≡	87½c
1/4	13c	3/10	38c	6/4	63c	8/10	88c
1/5	14c	3/11	39c	6/5	64c	8/11	89c
1/6 ≡	15c	4/– ≡	40c	6/6 ≡	65c	9/– ≡	90c
1/7	16c	4/1	41c	6/7	66c	9/1	91c
1/8	17c	4/2	42c	6/8	67c	9/2	92c
1/9 ≡	17½c	4/3 ≡	42½c	6/9 ≡	67½c	9/3 ≡	92½c
1/10	18c	4/4	43c	6/10	68c	9/4	93c
1/11	19c	4/5	44c	6/11	69c	9/5	94c
2/– ≡	20c	4/6 ≡	45c	7/– ≡	70c	9/6 ≡	95c
2/1	21c	4/7	46c	7/1	71c	9/7	96c
2/2	22c	4/8	47c	7/2	72c	9/8	97c
2/3 ≡	22½c	4/9 ≡	47½c	7/3 ≡	72½c	9/9 ≡	97½c
2/4	23c	4/10	48c	7/4	73c	9/10	98c
2/5	24c	4/11	49c	7/5	74c	9/11	99c
2/6 ≡	25c	5/– ≡	50c	7/6 ≡	75c	10/– ≡	**R1.00**